THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

African Union
a United and Strong Africa

Assessment of Internal and External Risks Associated with the Implementation of the African Union's Agenda 2063

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Contents

Figures

Annexes

Acronyms

ACBF	African Capacity Building Foundation
AEC	African Economic Community
AfDB	African Development Bank
APSA	African Peace and Security Architecture
AU	African Union
AUC	African Union Commission
BRICS	Brazil, Russia, India, China, and South Africa
CFTA	Continental Free Trade Area
COMESA	Common Market for Eastern and Southern Africa
DDR	Demilitarization, Demobilization, and Reintegration
EAC	East African Community
ECOWAS	Economic Community of West African States
ECA	Economic Commission for Africa
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
MDG	Millennium Development Goal
NGO	Non-government Organization
NEPAD	New Partnership for Africa’s Development
OAU	Organization of African Unity
OECD	Organisation for Economic Co-operation and Development
PIDA	Programme for Infrastructure Development in Africa
REC	Regional Economic Community
SADC	Southern African Development Community
UN	United Nations
WTO	World Trade Organization

Executive Summary

Agenda 2063 represents a transformative vision of the African Union (AU) to achieve "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena" (AUC 2014). In celebration of the 50th anniversary of the Organization of African Unity, African Heads of State and Government gathered in Addis Ababa in January 2015 at the AU Assembly's 24th ordinary session to adopt Agenda 2063 as a collective charter to move the continent inexorably in the direction of enhanced growth and development over the next five decades. It is a charter that not only provides a vision but also a normative and strategic framework to transform the continent based on a programmatic agenda of five 10-year plans. This programmatic agenda is informed by seven aspirations:

- A prosperous Africa based on inclusive growth and sustainable development.
- An integrated continent politically united and based on the ideals of Pan-Africanism.
- An Africa of good governance, democracy, respect for human rights, justice and the rule of law.
- A peaceful and secure Africa.
- Africa with strong cultural identity values and ethic.
- An Africa whose development is people-driven, relying especially on the potential of its youth and women.
- An Africa that is a strong and influential global player and partner.

These aspirations are intended to find practical expression in goals such as a high standard of living and quality of life, modern and liveable habitats, transformed and climate-resilient economies and jobs, and a modern agricultural sector. There is also an emphasis on promoting democratic values, capable institutions and strong leadership, full gender equality and an empowered youth, as well as an Africa that no longer relies on aid but that can finance its own growth and development goals and objectives.

There are thus risks, threats and opportunities for Africa in how it shapes responses to development and how its countries and people plan for a collective future and common destiny on the basis of the vision and programmatic logic of Agenda 2063. The continent is locked into a complex dialectic that demands greater responsiveness and responsibility by African governments and intergovernmental institutions in addressing the problems of growth and development, one that will also occur in an international context where the costs of policy failure, resource and material deficits, weak political leadership, and institutional paralysis are all magnified. This study examines the risk factors—internal and external to Africa—that could compromise Agenda 2063's vision, transformation framework, and planning programme over the next five decades. The analysis of these risk factors is accompanied by considerations of the strengths, weaknesses, opportunities and threats that could shape each of the seven aspirations of Agenda 2063. While there might be elements of force majeure (as with climate change and natural disasters), we argue that many risk factors are embedded as inherent structural features across Africa but are also determinants in defining and shaping the continental landscape and its interstate system.

Five country risk factors

The nature of the post-colonial state

There was broad agreement that many post-colonial states in Africa are beset by violence and volatility, both compounded by poor governance and accountability, the abuse of public resources, politicized ethnicity, and growing sectarian fault lines. The nature and evolution of Africa's post-colonial state has been "an albatross on Africa's development." The continent is made up of a great diversity of states and societies with pronounced structural variation in political and economic development, history, and culture. Moreover, there are certain features in African countries where diversity in the economic, social, and political landscapes may pose even higher risks and threats. While several African countries have achieved real rates of growth over the past decade, the economies of many are still underdeveloped and characterized by weak private sectors and a heavy reliance on natural resources. Moreover, despite a growing middle class and consumer market, many African countries remain vulnerable to extreme poverty, poor social development, and poor education.

Competitive politics

Competitive politics and democratization have responded poorly to providing the integrative impulses necessary for managing diversities, according to many informants.

The widespread acceptance of free and fair electoral processes has not fulfilled the promise of a participatory and representative democracy. If anything, there is a worrisome trend where elections are being used to strengthen incumbents' hold on power, thus preventing generational changes in government through competitive politics. Constitutions, as well as participatory and representative institutions, that should provide legitimacy for political stability are often undermined with impunity.

Moreover, the tendency towards centralizing power and authority has hindered the development of systems of local government that might otherwise enhance popular participation and better service delivery. The big risk is that Africa may be witnessing a slow return to forms of militarism, autocratic styles of leadership, patronage-based politics, and unconstitutional changes of government. The progress registered over the past two decades in establishing multiparty systems and competitive elections has not necessarily made the post-colonial African state more stable, efficient, and accountable.

Despite valiant national, regional, and continental efforts to put in place anti-corruption mechanisms and codes of behaviour, corruption in the public sector has remained a persistent challenge across African countries of every hue and stripe. This persistence is grounded in systems of patronage which, in turn, are integrated into weak state institutions and ubiquitous forms of informal economic activity that feeds networks of clientelism.

Governments and societies must wage the "moral equivalent of war" against corruption, which has also infected the business environment. Without strong institutions, the clientelist system will perpetuate itself—undermining the rule of law and the state's capacity to generate revenue, enforce contracts, and ensure property rights. These inadequacies pose grave risks, especially as domestic and foreign investors expect consistency in government policies and clarity in laws and regulations.

Political violence

With chronic political violence, the risk level becomes inordinately more complex because of the variegated forms that violence takes in Africa. Although there has been a precipitous decline in interstate warfare over the past two decades, the risks associated with political violence arise from multiple sources: internal conflict, post-conflict situations, political unrest and uprisings, violent state actions, terrorism and religious fundamentalism, the proliferation of weapons, and militant insurgencies. All these, singly or together, threaten the already fragile integrity of the African state system.

While ongoing conflicts remain a menace to the stability of many African regimes, there are also post-conflict situations where state and civilian security remain a serious problem. In many post-conflict environments, state and political institutions remain weak and there are often problems in disarming, demobilizing, and reintegrating rebel forces. The presence of sizable rebel contingents remaining at large has encouraged crime, banditry, and extremist activities. The major challenge here is that the resources required will have to be multiplied to ensure recovery and reconstruction of affected countries.

Slow social development

Low levels of social development have stymied Africa's growth and development. Six of the 10 fastest growing economies in the world are in Africa. However, many countries lag behind the rest of the world, especially those in Sub-Saharan Africa classified as least developed.

Development progress and poverty reduction have been severely held back by disease and the risk of HIV/AIDS and Ebola. (Southern Africa bore the brunt of the HIV/AIDS pandemic as half of Africa's population of infected persons are in that region.)

Countries with low levels of development and human resources face severe risk of skills shortages in their labour forces, keeping productivity low. While economic growth and a growing market of consumers were important in changing the fortunes of African countries, there were other unintended consequences such as rapid urbanization, with pressures on housing, employment, health, education, and transport, that many African countries will struggle to meet. Into this must be factored the dramatic increase in the population of youth and the risk that they will face bleak futures of poverty, homelessness, and unemployment at a time when African governments' welfare efficiency is being tested.

Five regional and continental risk factors

The risks identified in a country's axis are beyond the scope of a single country to resolve, and therefore regional integration is an important public good to be pursued with greater vigour. Geography is a major challenge to regional integration; well-known impediments include poor infrastructure and transport networks within and across regions; weak technological connectivity that increases transaction costs for goods and services; and the high expense of doing business across difficult boundaries with cumbersome customs procedures and regulations that inhibit intraregional trade.

The problem of geography has particular implications for Africa's landlocked countries whose export potential is directly dependent on the infrastructure regimes and policies of their coastal neighbours. Into the geographic risk-mix can be added the many visa and immigration restrictions, laws, and policies that make the crossing of African borders a difficult and often discriminatory affair. This "geography of difference" encourages high tariffs, numerous non-tariff barriers, and corruption in immigration, security, and customs agencies. The serious risk linked to geography is that is has a negative bearing on formal economic interactions and trade flows, and has encouraged a broad culture of informal cross-border activity that includes smuggling, crime, human and drug trafficking, and piracy.

Slow regional integration

Desultory progress made in the long discourse on regional integration has impeded regional integration. There has been fruitful debate over definitions, strategies, diagnostics, and outcomes but scant evidence that the legions of resolutions and policy decisions that member states make at regional level will find their way into national planning and development policies.

Although the formation of the Continental Free Trade Area (CFTA) might help to reinvigorate regional integration, multiple membership in Regional Economic Communities (RECs) has meant a loss of policy direction and coherence and different regional stimuli dictating the pace and sequence of integration. The risk is that ultimately viable and effective integration will depend on the commitment and sacrifice that members are willing to make for the regional good, including meeting their legal obligations and fulfilling their core functions.

The risk embodied in this complex of challenges is that countries are driven to pursue their national interests and to protect their sovereignty. But they also represent different state capacities and different ideological dispositions. In this reasoning, regional integration is often seen more as a burden and a cost and helps to explain why domesticating regional policies and agreements remains so problematic. The danger for Agenda 2063 is that this recourse to putting national interests and sovereign objectives first could hinder the development of a new type of Pan-Africanism based on greater solidarity and a common identity.

The CFTA

To what extent will the CFTA (scheduled to be established by 2017) generate higher volumes of intraregional trade? While the Tripartite Free Trade Agreement between the EAC, SADC and COMESA holds great promise, it is far from ready to catalyse the launch of the CFTA in two years' time.

Equally worrying has been the poor follow-through with rationalizing and harmonizing policies and programmes between the RECs and the AU, despite the 2007 adoption of a protocol to promote this. Against this backdrop, Agenda 2063 aims to address the structural transformation of the continent through the free movement of people, capital, goods and services through growing trade and investment among countries. The risk is that these objectives will not be realized if we take the history of failed regional and continental experiments as our guide.

It is thus time for Africa to move beyond grand frameworks, lofty conceptualizations, and cumbersome planning matrices. It should focus instead on what is doable, so that what used to be called "boilerplate" projects can better link people, goods, and services across and within regions on the basis of developing RECs' soft and hard capacities.

Inadequate resource mobilization

After the global financial crisis, resource mobilization, capital inflows, and assistance to developing countries was weak. While many African countries have managed to broaden their domestic tax bases and introduced revenue-generating instruments such as value-added tax, these are still insufficient to generate the resources to spur development. Low savings and underdeveloped capital markets (needed to attract foreign investment) compound financing needs at the domestic level.

The challenge of mobilizing resources to fund

Agenda 2063 projects is even more daunting. The earlier expectation that Africa's supply-side needs, particularly in infrastructure, would be met by market forces was grossly mistaken. A concerted effort is required to recapitalize African institutions such as the African Development Bank (AfDB) and the Development Bank of Southern Africa; to put in place internal and external alternative forms of development finance; and tackle illicit financial flows from the continent.

If these steps are not taken, there is a high risk that even hard projects identified in Agenda 2063's first 10-year plan will not get off the ground. Two alternative global sources of long-term development finance are the newly launched BRICS Bank and the Asian Infrastructure Investment Bank. However, it was unlikely that Africa would get what it needed in terms of the PIDA requirements: US$68 billion for priority projects until 2020 and US$300 billion until 2040. The funding risk is that the costs of developing infrastructure networks in Africa remain inordinately high and the path of least resistance might lean towards "bankable" opportunities that are linked to further exploiting commodities, because extractive industries provide higher returns to scale while the price of commodities remains high.

Africa's peace and security architecture

The degree to which Africa's Peace and Security Architecture (APSA) is being institutionalized to secure better coordination, harmonization, and standard setting encapsulates the final set of risks. Knowing this is important because APSA's success does not wholly depend on the AU but also on a wider range of actors who could potentially constitute Africa's security regime.

Although a memorandum of understanding on peace and security between the AU and the RECs was signed in 2008, APSA still lacks design and purpose. While there seems to be a great measure of principled and normative agreement, there appears to be divergence in practice, especially on important matters such as respect for basic human rights and freedoms, the sanctity of human life, appropriate conflict prevention strategies, respect for democratic norms, good governance, and the rule of law. In addition, the growing raft of internal conflicts across Africa raises important questions about where and how critical principles such as "human security" and the "responsibility to protect" fit into APSA. Indeed, the AU's Peace and Security Council has often been criticized for ignoring the grave situations where these principles are at stake or where they are threatened, in cases of genocide, crimes against humanity, and now the creeping scourge of unconstitutional changes of government and incumbents seeking third terms.

Three risk areas will continue to undermine the demands of institutionalized cooperation of APSA and amplify the challenges of implementation, effectiveness, and resilience. The first is that AU member states still retain the ultimate authority and decision-making powers to intervene in grave matters. The AU Commision thus functions at the behest of member states and lacks the competence to act autonomously in situations that require urgent redress in maintaining peace or resolving conflict. Second, member states are often directly implicated in violations or non-compliance of principles that the AU was set up to protect (such as human rights, democracy, good governance, and the sanctity of human life). Third, institutionalizing APSA will continue to suffer under the burden of capacity deficits and member states' inability to meet their financial obligations, which has increased APSA's reliance on external funding and raised issues over its ownership and sustainability.

Four global risk factors

After the end of the Cold War, it seemed that the world would be more peaceful and prosperous because of the promise of multipolarity and the recognition of the need for better global governance and international cooperation to manage a growing agenda of transnational problems. Four somewhat overlapping external factors could have an impact on Agenda 2063.

Trade and the economy

Africa's reliance on primary commodities as a source of export earnings is leaving the continent vulnerable to market vagaries and changing weather patterns. The risk for Africa is the volatility in commodity prices and attendant terms-of-trade losses. The current commodity boom is not sustainable as many African oil producers have felt the effects in the dramatic decrease in the price of oil. Africa's weak trade performance reflects its inability to source cheaper finance or to build efficient transport and logistics networks, financial capital, and human capital. Also of concern is the weakness of the private sector in many African countries and its inability to compete in global markets. Poor information technology and financial services infrastructure, a lack of institutional capacity, and corrupt and cumbersome customs formalities were responsible for Africa's high transaction costs.

After the conclusion of the Uruguay Round, African countries faced more onerous multilateral trade obligations but gained little better access to the markets where they enjoyed some trading advantage. Moreover, the commodity preferences and quota benefits that African countries enjoyed under preferential schemes such as the EU's Lomé and Cotonou frameworks have been substantially eroded because of the WTO obligation for trade compatibility and reciprocity. But it is the Doha Round (which started in 2001) with its emphasis on development outcomes that has not delivered any benefits for African countries, notably in improving their capacity to trade and in addressing other supply-side constraints. African countries suffer the risk of continued marginalization in trade because protectionism in developed countries, especially in agriculture, has impeded Africa's export growth potential.

Geopolitics and finance

Africa has failed to take advantage of the rapid changes in information, goods, and ideas brought in by globalization; the peoples of Africa have not reconfigured their social, economic, and political horizons. Because of vast ungoverned spaces they instead have had to contend with corrupt practices, organized crime, ethnic and sectarian rivalries, higher poverty and unemployment, and a growing and restless youth population. The great risk for the continent is the lack of adaptive mechanisms to cope with global and systemic change at a time when global governance has seen proliferating structures of decision-making and spheres of authority, in which Africa seldom features as a major actor and where even its identity as a region is contested.

The failure of global governance is replicated in the urgent development challenges for Africa and its dependent and asymmetric relations with developed countries. These lacunae are made worse by macroeconomic volatility and the failure to eradicate poverty. In addition, the combination of social inequality, increasing corruption, and unstable political systems has made it harder to adopt economic and public policies to address external challenges.

Africa faces further developmental risks because it depends on a mix of four types of financial resources, all of which have declined because of the global financial crisis: official development assistance, foreign direct investment, domestic savings, and debt relief. In particular, it was noted that developed economies continue to face fiscal and liquidity crises and the US dollar is declining as a major currency. Africa thus faces the risk not only of declining levels of aid and investment but also declining terms of trade and market access. These uncertainties, along with tighter financing conditions, will put further pressure on African countries' budgetary resources.

The environment

Environmental degradation is one of the biggest external risks because of its effects, socioeconomic costs, and the difficulty of adopting mitigation and adaptation mechanisms. Agenda 2063 must address the risk of climate change by embedding the "green" and "blue" economies at the centre of its transformation agenda. The continent already faces the spectre of major losses in biodiversity and the ecosystem, water crises, and growing food insecurity, largely because of the erratic and unsustainable nature of natural resource extraction. The risk for Africa is that international and multilateral sources of climate finance will not be forthcoming unless it puts bold initiatives and assertive measures in place.

According to AfDB, Africa will require US$20–30 billion over the next two decades to fund basic adaptation interventions, technology transfer, reduction of greenhouse gas emissions, and construction of institutional capacity at all levels. One concern is that the AU common position on climate change will simply be declaratory and fail to present a common front on durable mechanisms for the entire continent. A related problem is how climate funds are disbursed, given a World Bank (2013) finding that less than one-third of funding for adaptation and mitigation was disbursed across the countries that need it most.

Technology

Africa's low technological and scientific base prevents the continent from creating and establishing productive sectors capable of developing industry and promoting employment, even though the continent is among the richest and best-endowed continents in natural resources.

Tertiary and research institutions have rarely been vectors of scientific and technological innovation nor inspirations in relating such innovation to national socioeconomic demands and cultural needs. These shortcoming were partly due to resource constraints—Africa's investment in building research and development capacity in science and technology is, after all, the lowest in the world.

Africa's global marginalization also reverberates in its underdeveloped science and technology infrastructure, making its markets highly dependent on goods and products manufactured mainly in Europe, the United States, and increasingly China.

The implications for Agenda 2063 are quite stark: its projects will have innovation and skilled human capital requirements that African institutions will simply be unable to meet.

Mitigation Strategies for Agenda 2063

Africa's risk profile is thus indicative of the challenges faced by the continent. The moral is, once again, that governance at all levels matters. For the most part, if there is any improvement in the quality of Africa's political life, it is because of democratic reforms, political liberalization, growing constitutionalism, resurgent civil societies, multiparty elections, and the resurrection of legislatures. These shifts have gone hand in hand with renewed impulses towards Africa's integration and the development of operational frameworks for enhancing the structures, institutions, and processes of integration.

Build state capacity for effective governance

Improving state capacity will be a long-term process and the post-colonial pathologies will persist in many countries where the democratic promise is under threat. There are thus four critical interventions necessary to build state capacity in Africa. The first is to build legal and regulatory capacity that allows the state to define and enforce the rules for social and economic interaction, assuring the rule of law and greater certainty. The second is to generate the technical capacity to put in place policy and legislative frameworks that allow the private sector to flourish on the basis of stable macroeconomic foundations. The third is to harness the state's extractive and taxation capacity to raise revenue and mobilize domestic sources for development and social welfare. Last is raising the administrative capacity of the state, promoting and attracting broad-based managerial skills and professionalism for an effective civil service.

Build human capital

Failures in governance and markets have thus conspired to produce low investment in health and education in Africa, with knock-on effects for employment and growth. Moreover, any future gains that could result from economic growth could be compromised by persistent poverty, chronic instability, and lower life expectancies because of disease epidemics. Public investment in education and health ensure distributional effects that directly benefit those at the bottom of the social pyramid, especially females. Education has cognitive and non-cognitive effects on productivity and other outcomes such as life expectancy and fertility, while returns to health include a prolonged working life and a labour force of higher quality and greater productivity. The legal empowerment of citizens and greater access to health and education could roll back the frontiers of poverty, but will require deep-rooted changes in the African state and society, especially if Africa's demographic challenges are to be better managed.

Focus on trade and industrial policy

A new approach is required to put the spotlight squarely on efficient industrial policy that can boost industrial growth, export performance, and competitiveness, and that ensures the optimum allocation of resources. Related to this is the critical importance of developing domestic capabilities in strategic entrepreneurial, management, and technical functions. In Africa, industrial policy should provide special incentives for crowding in small and medium enterprises as a major focus of policy and as a driver of employment creation. This presupposes African ownership of industry through creative public–private partnerships and carefully calibrated joint ventures between local and foreign companies.

Equally important, African governments have to claim back the space lost to the external pressures of market liberalization: success here would allow them to make the necessary interventions to govern markets in support of industrialization. An important element in this mix is developing appropriate regional mechanisms to promote trade, development finance, and infrastructure. Liberalization should focus internally to unlock intraregional trade complementarities.

Develop a new coalition for growth

Finding and promoting "African solutions to African problems" requires the participation of what could be called an "Agenda 2063 coalition" capable of providing the continental gravitational pull for broad-based and inclusive growth and development, and of "locking in" ownership of the vision among those with a stake in the future of the continent. The consultative and participatory process that has underpinned the creation of Agenda 2063 provides the nucleus for institutionalizing such a coalition, consisting of member states, the private sector, civil society, the diaspora, youth, media, women, faith groups, former heads of states, intellectuals, planning experts, and so on. Such a coalition must be organized with solid leadership that is normatively committed to Agenda 2063's transformation framework. With 200 million Africans aged between 15 and 24 years, it is important that Agenda 2063 sows the seeds of African identity and integration early.

The Agenda 2063 coalition could be the vector of policy learning and a more sophisticated debate about Africa's growth and development dilemmas as well as rooting these dilemmas in a Pan-African context. The discussion must develop new narratives and ideas about the state of the continent and identify the broad policy and strategic parameters that are necessary for generating greater accountability and direct interest in the pursuit of Agenda 2063's goals.

Make regional integration meaningful

Agenda 2063 must pay greater attention to harmonization, coordination, and building trust and confidence between the RECs and the AU. Unless a concerted effort is made to fill the institutional vacuum in the AU on key areas of integration (such as agriculture, industrial development, the environment, peace and security, transport, human capital, and so on), it is very unlikely that these policy concerns will resonate at state and regional levels. Thus structures and systems that support policy implementation at these subsidiary levels are needed. There needs to be better coordination by the AU, AUC, NEPAD Agency, RECs, ECA, and AfDB to remove hurdles in making regional integration more meaningful in the lives of African citizens and in ensuring the emergence of a paradigm of genuine "developmental regional integration."

Develop African diplomatic capacity

Africa needs to adopt a more nuanced approach to its international engagements, critically turning on how it can leverage growth and development opportunities, and generate investment finance to address externalities such as climate change. This greater sophistication must be grounded in forging new and revamped international partnerships that become steering mechanisms for assisting Africa to address its growth, security, and development challenges.

Such mechanisms must carefully align external trade, development financing, and debt-relief engagement with the strategic initiatives that arise out of Agenda 2063. Their ultimate aim is to ensure resource mobilization, cooperation, and support of regional and continental frameworks, while putting in place operational monitoring and evaluation systems and being sensitive to regional balance and equity. All this will require building a muscular and skilled diplomatic capacity that is capable of moving Africa from the wings to the centre of the international stage.

1

Introduction

Agenda 2063 represents a transformative vision of the African Union (AU) to achieve "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena" (AUC 2014). In celebration of the fiftieth anniversary of the Organization of African Unity (OAU), African heads of state and government gathered in Addis Ababa in January 2015 at the AU Assembly's twenty-fourth ordinary session. The immediate purpose was to adopt Agenda 2063 as a collective charter to move the continent inexorably in the direction of enhanced growth and development over the next five decades. The charter not only provides a vision but also a normative and strategic framework to transform the continent based on a programmatic agenda of five 10-year plans. This programmatic agenda is informed by the following seven aspirations (Annex 2):

- A prosperous Africa, based on inclusive growth and sustainable development.
- An integrated continent, politically united and based on the ideals of Pan-Africanism.
- An Africa of good governance, democracy, respect for human rights, justice, and the rule of law.
- A peaceful and secure Africa.
- An Africa with strong cultural identity, values, and ethic.
- An Africa whose development is people-driven, especially relying on the potential of its youth and women.
- An Africa that is a strong and influential global player and partner (AUC 2014).

These aspirations are intended to find practical expression in goals such as a high standard of living and quality of life, modern and liveable habitats, transformed and climate-resilient economies and jobs, and a modern agricultural sector. There is also an emphasis on promoting democratic values, capable institutions, and strong leadership; full gender equality and an empowered youth; as well as an Africa that no longer relies on aid but that can finance its own growth and development goals and objectives.

This vision of transformation and its underpinning aspirations and overarching goals reflect and draw on a long history of and extensive experience in planning and strategic frameworks. These frameworks include the Lagos Plan of Action, the Abuja Treaty, the New Partnership for Africa's Development (NEPAD), the Comprehensive Africa Agriculture Development Programme, the Programme for Infrastructure Development in Africa (PIDA), the Minimum Integration Programme, and others.

Africa, however, has laboured under a planning and policy paradox: the more frameworks that it adopted, the more their outcomes and efficacy were dictated by the law of diminishing returns. There is now a sobering admission that "[p]ost-independence plans … yielded only modest results in terms of the overarching objective of structural transformation. The failure of plans was largely due to discontinuities in the planning process, stemming from political instability, institutional and bureaucratic weaknesses, poor plan design and implementation, and over-ambitious targets" (AU/ECA 2015: 6). These points of reference are important because they form a richly textured predicate upon which the success, or otherwise, of Agenda 2063 will be judged and assessed, in terms of the changing African and global systemic landscapes and the challenges that these throw up.

Since the 1990s, Africa has faced rapidly changing continental and global environments whose systemic dimensions and structural features have major implications for the future of its countries and citizens. These changes are also part of an era of greater structural vulnerability that poses a complex web of challenges, on the one hand, for how the global commons is managed at a time of growing asymmetries between rich and poor countries, particularly on equality, growth, and prosperity; and on the other hand, where the spectre of Africa's global marginalization, externally defined dependency, and weak bargaining power always loom large. The discourse on investing greater normative relevance and institutional renewal into the structures of global governance thus points to the historical erratic workings, inadequacies, and flaws in rule systems and organizations that govern current international relations and that in a sense have conspired to bring the continent of Africa to its current juncture. This juncture is coterminous with the tectonic shifts that have accompanied the end of the Cold War and ushered in an era of globalized interdependence which, paradoxically, has sharpened cleavages and divisions among countries, particularly those that are least developed and remain at the margins of the global political economy (Le Pere and Ikome 2012).

Against this background, global governance has become a metaphor for inequality, exclusion, and domination and provides the general context for the continued underdevelopment of countries of the global South. Many of the continent's 35 least-developed countries face the prospect of stagnating economic expansion, with profound effects on social welfare, political stability, and livelihoods, as well as on the capacity of African states and governments to address these. The mutually reinforcing impulses of economic growth and structural change are weakly articulated in policy and practice, rendering the social landscape equally blighted.

The upshot? Persistent symptoms that reproduce themselves in a manner that subjects growing numbers of African citizens—especially its youth—to a Hobbesian future where life tends to be "nasty, brutish and short." Many of Africa's 1.1 billion people continue to struggle with access to basic health care, nutrition, primary education, and employment. This pattern is exacerbated by disease pandemics, militarized and gender violence, politicized ethnicity and sectarianism, fundamentalist radicalism, destructive conflicts, rising levels of poverty, and environmental degradation.

There are thus risks, threats, and opportunities for Africa in how it shapes responses to development and how its countries and people plan for a collective future and common destiny on the basis of the vision and programmatic logic of Agenda 2063. The continent is locked into a complex dialectic that demands greater responsiveness and responsibility by African governments and intergovernmental institutions in addressing the problems of growth and development; the dialectic will also occur in an international context where the costs of policy failure, resource and material deficits, weak political leadership, and institutional paralysis are all magnified. For example, if African countries do not take advantage of the benefits of local and external markets, resources, and commodity returns, as well as productive technologies to spur their own development, the entire continent will remain vulnerable to the vagaries of international forces over which it has little control (Gyimah-Boadi 2004).

Africa faces four considerations and challenges (drawn from Rodrik 2001). The first is that global trade has evolved in a more liberal direction, with extensive reductions in tariffs and quantitative restrictions on the movement of goods and services; however, the growth of global trade coexists with protectionism and limited market access in developed countries of the North, but especially in the European Union (EU). The result is serious consequences for the continued marginalization of poor African countries. Second, the growth of international capital markets has seen the removal of restrictions on financial flows, but this mobility has also increased the volatility of financial markets, to which recurrent crises and the 2008 financial meltdown bear eloquent testimony. Third, there have been shifts in the paradigm of development assistance and finance, raising policy and normative questions about their effectiveness in spurring growth and alleviating poverty. These shifts help to explain the decline in the general levels of aid to Africa. And fourth, the technological revolution has demonstrated its potential to raise productivity and standards of living, but access often depends on the quality of human capital and the absorptive capacity of the economy, an area where many African countries continue to suffer from serious deficits.

We also have to consider the roles of African governments as agents of development. Because of their colonial and post-colonial progenies, African countries are very heterogeneous in their political cultures and identities, but all are united in bolstering the African state in its current form in the midst of often-disorderly domestic, regional, and continental politics (Ake 1996; Araoye 2014). As has been argued, “political leaders in Africa are concerned with building and managing the state out of chaos and ambiguity” (Hyden 2005: 264). This concern poses particular problems for the aspirations and goals of Agenda 2063, since there is an imperative to “domesticate” and incorporate its letter and spirit into national and regional plans, in order to ensure effective and judicious implementation of projects and programmes (AU/ECA 2015).

The record of state performance in Africa is not encouraging, however. The prevalence of informal practices and neo-patrimonial forms of rule render the post-colonial African state weak and fragmented. This institutionalized informality has impaired the ability of states to pursue people-centred development in a manner that accounts for the authoritative use and accountable management of a country’s resources, thereby extending the ruling regime’s legitimacy across the polity. The prominence of personal rule and “Big Man” politics accounts for real and latent authoritarian tendencies that circumscribe the prospects for development and growth (Chabal and Daloz 1999).

On the positive side, the third wave of democratization, starting around 1990, more or less coincided with the erosion of autocratic patrimonial rule in Africa. This erosion provided the strategic opening for democracy, popular participation, and the rule of law to develop a tap root in African politics that could be nurtured. However, sclerotic political cultures and despotic traits coexist with positive governance changes (Gyimah-Boadi and van de Walle 1996). The vast majority of African countries have opened their political systems or acceded to some form of multiparty rule and pluralism. Many have instituted reforms, ranging from token liberalization to the irrevocable adoption of democratic norms and institutions as well as constitutionally based forms of government.

In particular, authoritarian regimes have come under greater pressure as they experienced increased civil-society mobilization from below and the often-vocal repudiation of personal rule, elite domination, and official corruption (Young 1999; Rukato 2010). The African Peer Review Mechanism has also brought salutary vertical pressure on African countries to better conform with prescriptions of better governance, transparency, and accountability, but has been mired in controversy mainly because of its reporting methodology and assessment strategy.

Despite a spectrum of uncertainties and imponderables that these reflections invite, Africa can no longer be described as a "hopeless continent." There are many positive indicators of growth and development, but these are coextensive with worrisome symptoms in an often- chaotic and -atavistic environment—and Agenda 2063 will have to contend with a mix of both. Economic conditions, which are so important to realizing the AU vision and Africa's competitive advantages, are likely to remain difficult. This issue relates mainly to domestic sources of resource generation and welfare redistribution, but includes the impact of capital flows, terms of trade, levels of growth and employment, investment and savings rates, the political climate, and the regulatory environment. These elements have been too unstable to attain the needed poverty-reduction targets set out in the Millennium Development Goals (MDGs), their variability compounded by the prevalence of rentier activities, undermining productive activity (Zaum 2012).

The central focus of this study, therefore, is to examine the risk factors—internal and external to Africa—that could compromise Agenda 2063's vision, transformation framework, and planning programme over the next five decades. The analysis of these risk factors is accompanied by considerations of the strengths, weaknesses, opportunities, and threats that could shape each of the seven aspirations of Agenda 2063. While there might be elements of *force majeure* (as with climate change and natural disasters), we argue that many risk factors are embedded as inherent structural features across Africa but are also determinants in defining and shaping the continental landscape and its interstate system. They are not, for example, the outcomes of sudden apocalyptic events or catastrophic occurrences, but can be subjected to human agency and control.

Most crucially, these features and determinants can be reproduced as part of a vicious circle of continental weaknesses and threats. However, there is also significant scope for strategic intervention based on opportunities and strengths in how they are managed and how their effects could be mitigated to generate stability, governance, and development, enhancing gains at all levels of social life. This scope, surely, must be the essence of Agenda 2063, both as a programmatic intervention and as a moral enterprise.

The study is organized into six further sections:

- Section 2 sets out a methodological framework for assessing risks and how their various components can be disaggregated in terms of likelihood and consequences. The analysis of risks is complemented by identifying the matrices of strengths, weaknesses, opportunities, and threats that could shape the future and unfolding of Agenda 2063's aspirations;
- Section 3 examines the post-colonial landscape with a focus on its fragmented geography, its inability to produce scale economies, problems of sovereignty, and limitations of the democratic wave; weighs the dynamics of integration in Africa by considering its constraints and promise and the benefits or otherwise of market liberalization; assesses progress and challenges; and examines the role of external actors in Africa's trade and development relations

with a critical focus on the EU, the United States (US), and the BRICS (Brazil, Russia, India, China, and South Africa);

- Section 4 maps trends in the African and global landscapes that could have an impact on Agenda 2063. In Africa, it considers demography; trade, aid, and growth; democratization and governance; and peace and security. The global trends are the shift in power from West to East; climate change; globalization and state power; and interdependence and deepening inequality;
- Section 5 provides a synthesis of the views of the 23 informants who were interviewed for this study;
- Section 6 identifies country, regional, and continental, as well as global risk factors, drawing on the informants' observations; and
- Section 7 considers strategies to mitigate some of the above risks and to work towards the success of Agenda 2063.

2

A Risk-Assessment Methodology

What we have considered in the Introduction is broadly suggestive of the different and multi-dimensional levels of risk as well as the threats and opportunities that Agenda 2063 will have to confront, and their associated complexities. As all these elements are subject to dynamic processes, their changes depend on how risks and threats are mitigated and opportunities are seized. While risks and threats are typically associated with negative outcomes, they can also be seen as neutral phenomena, and so also have positive outcomes. A critical part of the management process is therefore to understand how risks and threats that might seem adversarial can be turned into strengths opportunities (Adar, Iroanya, and Nwonwu 2008). Africa's risk and threat profile is determined by intermeshing factors, whether germane to its continental environment or subject to the vagaries of international relations.

Africa's future is subject to great uncertainty, and many imponderables frame the nexus between growth and development on the one hand, and conflict and disintegration on the other. Agenda 2063 should therefore integrate appropriate risk-management strategies in defining its goals to ensure that there are fewer surprises; opportunities are exploited; human, social, political, and cultural factors are taken into account; accountability and transparency feature among all stakeholders; an environment for improved planning, performance, and effectiveness is created; and that information-sharing and communication improve, especially with ordinary African citizens.

Africa's risk profile is composed of a tension between issues that originate in countries, and those with consequences for the regional and continental landscapes; we can therefore talk about an "ecology of risk" in Africa and how external factors influence this ecology.

From this perspective, the most challenging problems for Agenda 2063 will be the transboundary nature of the major risks that might arise in a certain country or group of countries but whose management and mitigation will require close cooperation at all levels. These steps will require the development of strategic resources, institutional capabilities, and technical expertise that are beyond the ability of any one country (or a few countries) to provide. After all, the purpose of risk analysis is to generate useful data and information on the nature and level of challenges so that proper decisions can be made by all stakeholders, but also to identify what opportunities are presented in meeting certain challenges. Thus, risk analysis focuses not only on decision-making but, quite crucially, on problem-solving in conditions of great uncertainty (Brink 2004).

This study follows a simple model of risk identification, risk analysis, and risk mitigation (Shortreed, Hicks, and Craig 2003).

Risk identification. This entails determining risks that might enhance and accelerate—or hinder and prevent—the achievement of Agenda 2063's goals. It includes identifying the sources of risk, their impact, and their consequences. The aim of identifying risk is therefore to generate as comprehensive a list of risks as possible.

Risk analysis is probably the most challenging dimension of risk management. It is concerned with developing an appropriate understanding of the internal and external risks that might impact the aspirations and goals of Agenda 2063. This must crucially include an analysis of the likelihood and consequence of the risk. The analysis can be expressed in the following formula:

risk = consequence x likelihood

On the basis of this formula, it is possible from the analysis to give each identified risk a consequence and a likelihood rating, and to calculate the overall risk rating by multiplying the two elements (Figure 1).

Once the risks have been identified, the inherent consequences and the likelihood of the risk are documented, from which the inherent risk rating ("Score" in Annex 1) can be calculated. The risk analysis (Annex 1) is complemented by a SWOT analysis of each of Agenda 2063's aspirations (Annex 2). The risks and SWOT analysis are informed by interviews conducted with 23 informants (Annex 3).

Risk mitigation. An important component of the model is mitigating risk, and identifying

Figure 1: Risk-assessment matrix

	Consequence				
Likelihood	**Insignificant 1**	**Minor 2**	**Moderate 3**	**Major 4**	**Catastrophic 5**
Almost certain 5	5 Low	10 High	15 High	20 Extreme	25 Extreme
Likely 4	4 Low	8 Medium	12 High	16 High	20 Extreme
Possible 3	3 Low	6 Medium	9 Medium	12 High	15 High
Unlikely 2	2 Low	4 Low	6 Medium	8 Medium	10 High
Rare 1	1 Low	2 Low	3 Low	4 Low	5 Low

1 to 5		Low risk—manage with routine procedures
6 to 9		Medium risk –specific monitoring and procedures are required
10 to 19		High risk—action and prevention plans should be put in place
20 to 25		Extreme risk—immediate strategies and intervention by all stakeholders are required

Note: *almost certain:* the event is likely to occur more than once a year; *likely:* the event is likely to occur once a year; *possible:* the event is likely to occur once in every 1–10 years; *unlikely:* the event is likely to occur once in every 11–50 years; *rare:* the event is unlikely to ever occur; *insignificant:* the consequences can be dealt with through routine operations; *minor:* the consequences pose a threat to the eciency or eectiveness of some programmes, plans, and projects; *moderate:* the consequences will require a review, evaluation, or change of programmes, plans, and projects; *major:* the consequence will produce a threat to the survival or eective performance of programmes, plans, and projects; *catastrophic:* the consequences will terminally undermine programmes, plans, and projects and are so severe as to make any intervention meaningless.

and assessing options for addressing and managing the different levels of risk.

For Agenda 2063, a critical operational intervention will be monitoring risk throughout its 50-year life span. It might thus be appropriate to put in place an Agenda 2063 Risk Working Group that could draw its members from the AUC, the regional economic communities (RECs), and several strategic member states. Such a Group could be charged with regular monitoring, evaluation, and reporting of risks affecting every 10-year plan of Agenda 2063.

3

The African Post-Colonial Landscape Revisited

Examining Africa's post-colonial landscape is vital, as it largely defined African interstate relations, particularly strategic matters such as governance and institutions, growth and development, and peace and security.

The African continent, at this point in the second decade of the twenty-first century, is witnessing a major transition of its strategic position within a changing global order. On the one hand, Africa has entered an "emerging powers" economic-growth trajectory propelled mainly by a commodity boom, demographic change, a rapidly expanding middle class, and a growing consumer market. On the other hand, the continent is faced with major governance and security challenges that are compounded by its fragmentation into so many comparatively fragile or failing states, as well as by an increasing number of ungovernable spaces and captured territories that have been taken over by rebels, militias, and religious fundamentalists (Ikelegbe and Okumu 2010).

This tension between an emerging market momentum and political dysfunction was observed at a World Economic Forum for Africa held in Cape Town a few years ago. There, former United Nations (UN) Secretary-General Kofi Annan, in releasing the 2010 *Africa Progress Report* and in a sober assessment, remarked that positive economic advances were in danger of being eclipsed by the retreat of democracy in several countries and a deficit of political leadership. He cited a report finding that nearly two-thirds of Africa's 53 countries at the time had seen "a disconcerting deterioration in political participation, human rights, physical security, and the rule of law" (Annan 2011: 2).

At around the same time, Mthuli Ncube, Vice-President of the African Development Bank (AfDB), was releasing *The Middle of the Pyramid: Dynamics of the Middle Class in Africa*. This report noted that, with 300 million of a total population of 1.1 billion, Africa's middle class accounts for nearly 30 percent of its population and contributes about US$800 million to Africa's GDP—currently small, of course, relative to the advanced economies, but Africa is expected to catch up with them, with an enlarged middle class comprising roughly 80 percent of what by 2050 will be a population of 2 billion people (outstripping China and India). This transformation will be accompanied by accelerating urbanization, a massively expanding consumer base, dramatic growth in the population of youth, as well as an increasingly vibrant transnational civil society and expanding networks of nongovernment organizations (NGOs). However, the risks of such strong population growth are already being manifested in rising levels of food insecurity and poverty, environmental degradation, crowded cities, poor social-welfare programs, un- and underemployment, and migration.

3.1 Fragmented political geography: the problem of borders

This contradictory profile of Africa's economic dynamism alongside its relative political stagnation and instability in governance has serious implications for the objectives of Agenda 2063. It raises questions about the nature of political transitions in Africa since formal independence, beginning in the 1960s as Africa's Independence Decade. The real problem of promoting democracy and democratic norms and practices in the African post-colonial state is the sanctity of borders, which also impairs the integrity of regional- and continental- integration agendas. The preoccupation with the nature of the state in Africa has understandably been heavily weighted towards concerns about its democratic functionality as a catalyst of good governance, accountability, regulatory coherence, and institutional development. The focus on democratic political transitions is reflected in the large literature about Africa's democratization prospects (e.g., Diamond 1999; Araoye 2014). This trend began in the wake of the post–Cold War transitions to democracy that unfolded in Eastern Europe after the fall of the Berlin Wall. Once again, Berlin became something of a metaphorical point of reference for a continent that had been carved into its current fragmented political map in Berlin in 1884 (Adebajo 2010).

Among the key postulates of Agenda 2063 is the need for capable, effective, and developmental democratic states that promote equitable and people-centred growth and development; that respect human rights and the rule of law; and that build or run participatory and accountable institutions. Such a key postulate, however, must battle with what Kofi Annan referred to as a pathological "democratic recession" in Africa. One of the major omissions in the literature on the post-colonial state is the extent to which African countries themselves, as the embodiment of the continent's fragmentation, constrain the viability and legitimacy of the state and by extension impede their transitional rites of passage towards more democratic dispensations (Araoye 2014). Whereas the enclosure of power within well-defined borders did not define the pre-colonial political geography on the continent, European colonialism and the arbitrary partitioning of the continent by different powers at the Berlin Conference in 1884 led to both the establishment of territorial boundaries and their "hardening" (Herbst 2000). Thus, the consolidation of states in Africa remains a central political issue in the contemporary African state system and constitutes a major challenge for Agenda 2063's aspiration to promote good governance, democracy, human rights, and the rule of law.

Compounding the African state-building predicament has been the "Westphalian" implant (see just below) that has historically defined the underpinnings of the nation-state, replete with the principle of national sovereignty. The result has been to lock the post-independent African state into an unviable and unworkable political geography inherited from its colonial past. Hence, "the failure of many African states to consolidate their authority has resulted in civil wars in some countries, the presence of millions of refugees throughout the continent, and adoption of highly dysfunctional policies by many leaders" (Herbst 2000: 3). Indeed, the hardening of territorial boundaries has interacted with an underlying ethno-linguistic and geo-cultural map of Africa. This interaction has added yet more layers of inter- and intrastate fragmentation.

3.2 The problem of scale economies

Africa's state fragility is exacerbated by the lack of a "political-economy of scale" relating to the economic constraints of small domestic markets. This situation has been an underlying factor in rentierism, which fosters an intimate interdependence between state and private-sector elites while discouraging domestic economic expansion, foreign direct investment (FDI), and trade. Lack of such scale militates against political stability and economic viability (van de Walle 2001). Recently, when a counter-trend was defined by the demographic momentum towards a growing middle class, an exploding youthful population, and an expanding consumer base, the African state was hobbled by a lack of such scale, an outcome of non-viable territorial boundaries.

The fateful transformation of Africa's pre-colonial political geography into a European template has implications for Agenda 2063 and Africa's integration agenda, especially for peace and security, inclusive growth and development, and the fostering of strong cultural identities based on shared values and a common heritage. The hardening of boundaries provided the historical impulse for the sanctity of borders, forging territorial integrity as the foundational element in defining sovereignty and terms of citizenship and, until recently in Africa, impeding any pre-colonial flexibility in the free movement of people and ease of transnational interactions. This outcome in turn retarded the free movement of goods in creating economies of scale for integrating Africa more productively and competitively into the global economy. Thus very tenuous states were etched in stone, a factor that goes to the heart of contemporary state fragility, implosion, and collapse in contemporary Africa.

It can be said that Agenda 2063 represents an integrationist and transformative counter-trend in promoting forms of "Afro-Westphalianism" as Africa tries to overcome the stultifying intergovernmental dynamics that characterize the African state and the interstate system. However, without political-economies of scale (reinforced by the dictates of sovereignty under international law), the citizenry and their leaders are often locked into zero-sum struggles for scarce resources and survival. In such a Darwinian contest, political instability has become embedded in the anatomy of post-colonial states and their structure. This predicament was accompanied by limited opportunities flowing from underdeveloped economies devoid of strong private sectors and institutionalized civil societies and suffering from severe supply-side constraints. Some of these constraints are apparent in physical infrastructure, development finance, technology, and human capital (Schwab 2002).

Rather than emerging in an "Africa for Africans," citizens from neighbouring states have automatically become de facto foreigners in the post-colonial state system and have been branded as illegal immigrants. This mentality has led to egregious forms of xenophobia and anti-foreigner violence, as recently seen in South Africa. Meanwhile, zero-sum political competition within Africa's very tenuous states tended to fuel antagonistic multi-ethnic, polarizing regional sectionalism while citizens with legitimate claims have been redefined as foreigners in ensuing electoral power struggles (as in Côte d'Ivoire and Zambia). This, in turn, has rendered notions of "sovereignty" problematic, as well as definitions of national and regional citizenship and identity.

3.3 How the Westphalian Order has undermined continental ambitions

The problem with applying Westphalian principles to African state-building is that the fundamental democratic assumption of popular sovereignty has turned out to be alien in a context where even the terminology and conceptual acknowledgment of popular sovereignty as an intellectual construct tend to be passed over. Conventional references to "national" or "state sovereignty".have replaced them.

In light of the theoretical and conceptual formulations of the highly personalized nature of power and leadership, a more appropriate depiction of the fragility of the African state might be "elite sovereignty" as the definition of how sovereignty applies to political realities on the continent. Indeed, African elites have an entrenched and vested interest in the hardening of colonial boundaries. This preoccupation underlies the challenges facing Africa's democratization through regime transitions, where political change involves momentous struggles in expanding the spheres of popular sovereignty and participation. Popular sovereignty, in turn, challenges the protectionist and predatory inclinations of incumbent nationalist elites.

A fundamental challenge then remains for Agenda 2063—whether the expansion of popular sovereignty on the basis of democratic political transitions is sufficient in the absence of an integrationist and Pan-African dynamic that overcomes Africa's problematic political geography. This geography, which constitutes much of the continent's colonial inheritance and hence its state-building challenges, will continue to impair the level of ambition in any national, regional, or continental strategic framework.

3.4 The limitations of the "democratic wave"

The collapse of communism in 1989 provides a historical point of departure in assessing African political transitions (Joseph 1997). The Cold War had enveloped the continent in an "authoritarian carapace" of clients, proxies, and allies within the bipolar ordering of the international system. After 1989, the majority of Africa's states began to reform, which led to more competitive and pluralist political systems (47 at the time). This trend was seen as the product of largely "conjunctural" factors. Both internal and external dynamics were interactively reshaping the African political landscape. Africa's democratic prospects therefore hinged on "whether political leaders can be installed and deposed by political will and held accountable while in office. At the moment, this seems too big a question, [and] too remote a prospect" (Joseph 1997: 363).

A decade later and since then, the democratic sustainability of African political transitions was already coming under scrutiny. For one thing—and tying in with their neo-patrimonial features—states were seen as associations of competitive communities. This has led to zero-sum power struggles within ostensibly democratic and authoritarian regimes, with open political competition fueling instability. The result has been an inherently ambivalent predicament confronting the democratic sustainability of neo-patrimonial regimes. As such, simple majority-rule has not worked, let alone power-sharing formulas and consociational systems (Meyer 2012).

Yet power-sharing formulas may offer a bridge towards a greater commitment to a national civic realm that, over time, transcends sectional communalism. This, however, begs yet another question about exploring the nature of the post-colonial state and transitions to democracy, namely, the evolution of weak forms of nationalism, which holds critically in cases of more enduring civic nationalism that are patriotic and that transcend sectional and communal particularisms; and that place the country first in citizens' national consciousness. Civic nationalism represents a maturation of the political system towards a more stable and sustained democratic grounding. In the absence of such maturation and where tendencies towards power struggles take on zero-sum qualities, many African countries have become exponents of "virtual democracy," a type of pseudo-democratization where the form rather than the substance of popular participatory democracy is the norm.

Virtual democracy has several distinctive features (Joseph 1999; Young 1999):

- citizen rule is established, but key dimensions are insulated from popular involvement;
- hegemonic economic forces in society and those in control of the state apparatus are secure in the protection of their interests and are able to minimize threats to them by formerly excluded or dominant groups by allowing a smooth transition from authoritarian rule to occur;
- opportunities for the further development of a capitalist or market economy are limited, entrenching existing forms of economic power;
- external forces are (or become) critical to the establishment of democracy in areas formerly under authoritarian rule;
- incumbent manipulation to maintain power or its residues takes place;
- certain policy outcomes are ruled out while others are assumed as mandatory; and
- a particular path out of authoritarian rule is encouraged globally.

This menu of virtual reality resembles the triumphant post–Cold War Washington Consensus with its emphasis on promoting democratic capitalism and market economies, while ruling out erstwhile options that centred on nationalizing key economic sectors. That this Consensus became the universally assumed path to democracy is underlined by Joseph: "today the western concept of democracy is more or less accepted throughout the world" and is what might be referred to as "the new normal" (Joseph 1997: 368). The magnitude of the convergence of conjunctural factors was such that Africa became the locus of donor power to press for economic and political reforms in the wake of its economic contraction by the end of the 1980s, an era that began ushering in political transformations. Democracy emerged as a "global project" of multilateral and bilateral donors, from the Bretton Woods Institutions to such hegemonic bilateral agencies as USAID, the controversial National Endowment for Democracy (NED) and its political party affiliates, the National Democratic Institute (NDI) and the International Republic Institute (IRI), the United Kingdom's Department for International Development (DfID), and the Netherlands's Institute for Multiparty Democracy (IMD), to name but a few (Carothers 2010).

Adaptive strategies have been employed by incumbents who have become adept at manipulating democratic processes and structures to "divide and rule," play for time, rig elections, and sow division and discord that fragments the opposition while holding external actors at bay, as they tend to want to avoid violence, state collapse, and humanitarian emergencies. It is these adaptive tendencies, which have been honed by autocrats for well over three decades now that have led to the kind of democratic recession decried by the *Africa Progress Report* of 2010. The literature on democratic transitions generally, and that on Sub-Saharan Africa in particular, has reflected much soul-searching and rethinking about where such transitions are heading or have headed, and what their experiences portend for African governance and the future of the continent (Sall 2003). The pessimism about the continent experiencing a democratic recession points to the size of the consolidation challenge that confronts obstacles to achieving mutual trust, collective shared identity, and social cohesion in multicultural and diverse societies. These are urgent issues that Agenda 2063 will have to increasingly prioritize, especially if the African nation state is the basic unit of regional integration.

3.5 The dynamics of integration in Africa: a false dawn?

Integration in Africa is a leitmotif of the AU vision and key to realizing the aspirations of

Agenda 2063. The role of regional integration is critical for addressing Africa's mounting raft of growth and development challenges, and this has been recognized as a major imperative in Africa's policy and political narrative over the last five decades (AU/ECA 2013).

Specific symptoms have persisted and continue to undermine the essential tenets of moving to pan-Africanism and building continental unity. These include small-country markets, the extreme balkanization of the continent through war and conflict, the artificial nature of colonial borders, poorly developed national and continental institutions, the high number of land-locked countries, few navigable rivers into the interior, and underdeveloped infrastructure. At the time of independence and since, organizations with regional-integration mandates have been established throughout Africa but had little success mainly because of the statist orientation underpinning policy and planning during the three decades of the 1960s to the 1980s. These schemes de facto constrained the participation and limited the potential of civil society, entrepreneurs, and domestic and foreign investors.

3.6 The promise and constraints of regional integration

The Lagos Plan of Action of 1980 injected fresh political urgency and normative energy into thinking more creatively about regional integration in Africa, drawing on pan-African unity and continent-wide competitive industrialization. However, African governments treated the challenge in a perfunctory manner with too much emphasis on ceremonial signing of protocols and the adoption of numerous declarations and reports.

Nor can we ignore the role of external actors in weakening the traction of regional integration schemes. The divisive nature of Cold War politics provided a political and ideological pull that was not conducive to enhancing region-building and continental cooperation. Moreover, after falling commodity prices in the 1980s, the economically and socially corrosive effects of structural adjustment programmes further undermined the continent's integration efforts (Ikome 2007).

The signing of the Abuja Treaty in 1991, which came into effect in 1994, can be said to have inaugurated the second wave of regionalism and regional integration in Africa. It is often referred to as the "new regionalism" because it articulates a wider vision that includes not only economic but also political, social, and cultural imperatives. It entailed a multifaceted approach embarking on a 34-year journey to create an integrated Africa-wide economic community, to be based on a linear model of establishing a free-trade area, a customs union, a common market, and ultimately an economic and monetary union.

The model was meant to lend greater policy coherence and institutional integrity to strategic themes such as trade facilitation; private-sector development; strong public institutions; greater civil-society engagement; strengthened regional peace and security mechanisms; and more balanced external and intraregional trade. However, the Abuja Treaty's 19 protocols that serve as a guide for member countries' compliance have been observed more in the breach. Even at regional levels and despite its compelling logic, the Abuja Treaty's integration agenda and normative anchors have hardly found concrete expression, though some progress has been evidenced by the establishment of some of its constitutive elements in several of the more successful RECs. The COMESA-EAC-SADC Tripartite Free Trade Area, concluded in 2008, and launched on 10 June 2015 is probably the most promising development so far, especially as it binds 26 countries with a population of about 600 million and a combined GDP of close to US$1 trillion.

The generally convoluted and overlapping architecture of the RECs do not, however, support the goals of the Abuja Treaty. It would appear that the main incentives for Africa's integration efforts arise more in the external environment, even though these directly undermine such efforts, as with the EU's World Trade Organization (WTO)–compatible and reciprocal Economic Partnership Agreements (EPAs) and the US preference- and condition-based African Growth and Opportunity Act (AGOA). The jury is still out on whether the role of the BRICS will be salutary for Africa's integration and region-building, though initial indications seem positive for trade creation, industrial growth, increased investment, infrastructure development, improved bargaining power for African countries, and more (see below).

3.7 Market liberalization: who benefits?

In Africa, market integration through trade liberalization is not necessarily an unmitigated good. There is therefore a need to think about levels of economic liberalization that could limit the effects of global competition while allowing African economies to integrate into global markets and value chains—with particular concentration on how product and factor markets can be liberalized with the necessary institutional capacity-building and industrial-policy reforms.

There are several requirements for trade policy to promote investment and exports and for regional integration to generate scale economies: exporters must have easy and reliable access to inputs at world prices; investment must be facilitated; and domestic producers need protection against damaging competition. On financial policy for regional integration, liberalization must be accompanied by price stability and fiscal discipline; by sound financial institutions and corporate finance; and by prudential regulation of high or unstable interest rates, unfair competition, and accumulation of public debt (Manlan 2014). Thus, if regional integration is to help build and promote competitive African economies, appropriate policy responses and technical competences are required to deal with cold, harsh market realities on the continent and globally (Ng'ona 2014). Further, regional integration will require cross-border banking supervision as part of sound financial integration to ensure the viability of monetary-union and liquidity risk management in the general context of Africa's underdeveloped financial markets.

Against this background are institutional shortcomings that have impeded meaningful integration and related development strategies, along four axes: ambiguous and imprecise legal frameworks for integration; regional and continental frameworks that are far removed from the real facts on the ground, particularly increasing levels of poverty, unemployment, and inequality; normatively and institutionally disparate RECs with their own integration agendas, which do not speak to or conform with continental initiatives; and an absence of enforceable norms and practices to do so. The great diversity of the eight officially recognized RECs, their complex and unwieldy institutional configurations, and their uncoordinated nature render very problematic their functional efficacy as building blocks for continental integration. At the AU level, there is also an institutional (and capacity) vacuum, particularly in driving key areas of integration policy such as agriculture, industry, energy, the environment, transport, human capital, and development finance; these are areas that different plans under the rubric of Agenda 2063 must address (ACBF 2014).

The quality of institutions is an important determinant of growth and development (North 1990). This takes on added theoretical importance across three dimensions: how property rights are managed to provide incentives and information in a market-driven economy; the role of the state not only in upholding property rights but in ensuring the rule of law and market regulation and in providing public goods and social security; and how social solidarity and cooperation are promoted vertically (within society) and horizontally (across countries). The development of markets domestically and regionally has to be subject to regulation and control by national governments in order to better manage the perverse outcomes, inequalities, and disincentives that could arise from unfettered market operations.

Karl Polanyi (1944) demonstrates how uncontrolled markets present as much of a dilemma and problem as the absence of markets. He grounds his thesis in the negative consequences of the abolition of laws meant to protect the poor in nineteenth-century England. This not only led to their growing vulnerability but also to a dramatic increase in levels of poverty and unemployment.

3.8 Assessing progress and challenges

According to a study in 2005 by the UN Economic Commission for Africa (ECA), the environment for regional integration has improved markedly in the areas of governance trends and state capability. First, there has been a steady improvement in democracy and democratization, although worrisome authoritarian reversals are also surfacing. Second, efforts have been made to create more political inclusiveness through civil society and gender empowerment as well as to provide a better enabling environment in which business and entrepreneurship can grow and flourish. Third, the public sector has generally become much more accountable in its use of public revenue and more responsive to citizens' concerns, although high levels of corruption persist. Finally, governments have devoted more effort to better economic management and regulatory reform (ECA 2005).

This improving environment augurs well for institutional development, given that conditional and contractual reforms of the 1980s and 1990s considerably weakened institutions in Africa, with direct implications for employment, poverty reduction, and social investment. The post-colonial state in Africa is still, however, compromised by rent-seeking elites, deep class divisions and ethnic cleavages, a failure of political leadership, and weak institutional articulation. In one view, all these factors conspire to make the post-colonial African state "survive as a concrete fiction [and] as an alienating political construct" (Araoye 2014: 45, 46).

Progress has also been registered at the level of the AU and RECs, at least on paper. In 2009, the AU Commission and RECs developed a Minimum Integration Programme as a strategic basis for harmonizing and rationalizing REC programmes and activities. This included encouraging and promoting the free movement of goods, persons, capital, and services among all RECs. An African Action Plan was developed by the AU and NEPAD in July 2010 for 2010–2015. The AU heads of state and government held a summit in January 2011 under the theme "Boosting Intra-African Trade" to examine modalities to enhance market integration. In July 2012, PIDA was adopted by the AU for 2012–2040. This will require US$68 billion for priority projects until 2020 and another US$300 billion for the following two decades. Besides supporting these efforts, UNECA and AfDB are also working together to establish the African Central Bank, the African Monetary Fund, and the African Investment Bank.

However, these bold initiatives will continue to suffer under the weight of actual implementation where lack of political will, resource constraints, and weak institutional capacity play a major role. The state-driven nature of regional integration and the maintenance of onerous behind-the-border barriers do not empower traders, migrants, diasporas, business, civil society, and the informal sector. These, as potential constituencies that already de facto participate in trans-border and regional processes, might once have been dominated by states. But not all their processes are benign: regionalization also has a dark side, with trans-border criminal networks exploiting ungoverned spaces to smuggle cars, people, drugs, weapons, gold, diamonds, and ivory, and to launder money (Le Pere and Vickers 2011).

ACBF (2014) delineates the hard and soft capacities necessary for a regional institutional development program that generates the multiplier effects for economic growth, political stability, good governance, and improved social welfare. Hard-capacity components include technical skills and knowledge; functional organizational competences, systems, and procedures; and laws, policies, and strategies. The soft dimensions include organizational culture and values; quality of leadership and political relationships; and skills in negotiations, problem-solving, teamwork, and conflict resolution. ACBF offers a range of implementable recommendations on what needs to be done to improve and build the capacity of RECs and their institutional structures, with a focus on financial and human resources, and knowledge generation (ACBF 2014).

In this mix of considerations and capacity conundrums, there is the problem of intra-African and external trade, which has remained low for more than two decades after the Abuja Treaty was signed. Intra-African trade increased from 9.7 percent in 2000 to 12 percent in 2012, but this is hardly encouraging when compared with that accomplished by the EU (60 percent) and North America (40 percent). The low level of intra-African trade persists despite the surge of regional trade agreements and free-trade areas in the RECs as attempts to promote development regionalism.

There are significant differences in intraregional trade across the RECs. The highest rates have been recorded in the EAC and its five members—Burundi, Kenya, Rwanda, Tanzania, and Uganda. Between 2005 and 2010, intraregional trade there increased by 16 percent, largely due to the benefits that Kenya derived from manufactured products. In West Africa, formal and informal intraregional trade, respectively, made up 10 and 15 percent of total trade in 2013. In 2012, Africa's export basket was still largely composed of fuels and unprocessed or semi-processed minerals. The financial landscape has the problem of currency convertibility, and regional institutions are still underdeveloped in providing finance and credit for facilitating cross-border trade (de Melo and Tsikata 2014).

Given these problems of regional integration in a continent as diverse as Africa, there is an imperative to "walk on three legs" (Caholo 2014) by expanding the size of markets through market integration; collaborating more intensively on building productive and industrial capacity; and developing affordable and effective infrastructure and services to lower transaction costs. The challenge for the custodians of Agenda 2063 is to create a broadened policy perspective among stakeholders about what constitutes successful regional integration with a focus on those factors and capacities that could improve Africa's competitive position, such as innovation, skills development, and equitable labour-market policies. The element of competitiveness through regional integration takes on added significance given that nearly 80 percent of all global trade occurs along global value chains. The challenge for Africa is how to position itself in relation to such chains and extract maximum and positive developmental impacts because "value chains have become the dominant feature of the world economy, involving countries at all levels of development, from the poorest to the most advanced" (OECD 2013: 3).

3.9 The role of the European Union

Africa's relations with the EU could have profound repercussions on Agenda 2063's aspirations. That is our next concentration.

Africa's relationship with Europe has been profoundly shaped by the legacy of colonialism, especially its central tenets of accumulation, extraction, and control. Based on "collective clientelism" (Ravenhill 1985), the modalities of this relationship find expression in a carefully choreographed political economy of domination and dependency. However, what has proven most controversial for African countries is the impact that the EU's EPAs will have on their growth and development prospects. A primary concern stems from the balkanizing effects of EPAs, which divide the continent into regional blocs for negotiating purposes. Based on their regional affiliation, individual countries are then invited to sign onto "interim EPAs" as a first step towards locking all countries into particular configurations for purposes of concluding a final reciprocal arrangement, albeit with an asymmetrical fig leaf in timing and content (Le Pere 2015).

This attempt to rationalize African regionalism could prove antithetical to the AU's and Agenda 2063's regional and continental integration agenda at a time when these initiatives need to find policy and operational traction, especially in establishing a continent-wide free-trade agreement by 2017. The EPAs would constitute a powerful anti-integrationist tendency and adversarial force. According to ACBF (2014), "[EPAs] also risk diverting trade, complicating further the spaghetti bowl of trade arrangements, narrowing policy space, creating fiscal losses in countries that rely heavily on trade taxes, and eroding the existing fragile industrial base" (ACBF 2014: 43-44).

Their impact is manifold. First is the potential loss of tariff revenue that could reduce the ability of African countries to provide much-needed social and welfare services, which would be severe as tariffs account for 7–10 percent of fiscal revenue (IDS 2005). Second, EPAs entrench the power imbalance between the EU and the African countries, overwhelmingly representing unabashed EU self-interest, with an excessive neo-mercantilist orientation that leans towards dominating market access on the one hand and reprobating protectionism on the other, especially where African countries might have some comparative advantage such as in agricultural production and agro-processing. Moreover, the EU Commission represents a bureaucratic juggernaut with a technical and strategic negotiating capacity that heavily burdened African negotiators and that regional secretariats can hardly match.

Third, EPAs are not strategically or operationally aligned with regional and continental programmes as embodied in Agenda 2063 to deliver long-term development, economic growth, and poverty reduction because of the EU's aggressive pursuit of its offensive interests. In addition, the EPA's emphasis on market liberalization does not take account of Africa's lack of economic and trading capacity nor its multiple supply-side challenges and deficits in infrastructure, development finance, and human capital. Thus, EPAs directly undermine African countries' and regions' amount of necessary flexibility over the timing, pace, sequencing, and product coverage of liberalizing their markets to the EU. In short, the majority of poor-country producers would not be able to compete with the muscular ability that EPAs would afford the EU's growing footprint in African markets.

Still, Africa's geo-political relevance has improved in the recent past. It has been driven mainly by robust global commodity demand, steady economic growth, and improved forms of economic and political governance. As a consequence, the EU has sought improved dialogue on the basis of a redefined strategic partnership that promotes a normative and ethical shift from doing things *for* Africa to doing things *with* Africa. This shift has been manifested in EU–African summitry starting in Cairo in April 2000, which has put in place a range of action plans to provide support in critical areas of peace and security, governance and human rights, regional and continental integration, as well as energy and climate change. These commitments culminated in a renovated and overhauled "EU-Africa Strategic Partnership" in 2005, which was supplemented by an operational Africa-EU Joint Strategy in 2007. Both have provided the general template as well as the cooperation parameters for a new type of partnership between the EU and the AU (Le Pere 2012).

Of course, the EU's recourse to this new type of partnership, which is based on equity and harmony of interests, takes into account the growing pluralism in Africa's external political and economic relations and the alternative opportunities that these afford. There is, for example, the system of preferences granted to eligible African countries for duty-free access to the US under the rubric of the Africa Growth and Opportunity Act. But even more auspicious is the different calculus of choice that the BRICS countries individually and together provide for African countries in terms of more permissive and supportive trade, investment, and development aid opportunities, even though such relationships might lack the contractual certainty and policy sophistication provided by the EU. These shifts will, one hopes, allow African countries to incrementally break free of the EU's stifling and obstructive structural yoke and double-talk that masquerade as noble and virtuous intentions. We are reminded of E. H. Carr's pithy dictum that a harmony of interests "thus serves as an ingenious moral device invoked, in perfect sincerity, by privileged groups in order to justify and maintain their dominant position" (Carr 2001: 74–75).

In the face of new challenges to its historical hegemony, the EU is all the more likely to seek to maintain if not strengthen it. This hegemony, which consists of hard integuments that have given it a dominant and commanding position in shaping Africa's colonial and post-colonial political economy on the basis of its different trade- and development-cooperation frameworks, must be altered by Africa. The continent must now drive history by turning this relationship from an instrumental project into a moral enterprise that suffuses the transformation agenda of Agenda 2063.

4

The Impact of African and Global Trends on Agenda 2063

The mapping of African and global trends adds another perspective to the dynamics shaping the degree to which Agenda 2063 will prove providential. It will allow Africa to rise on a virtuous circle of sustainable growth and development, away from its "marginality" in most global projections, where the continent receives no more than a passing reference (see, for example, NIC 2012). In this context, it is viewed not only as a source of commodities but also of war, conflict, disease, instability, and humanitarian crises.

If Africa is to represent "a guiding force in the global arena" for the AU vision and as an integral part of Agenda 2063's transformation framework, it will have to build on its stock of current opportunities. These include encouraging signs of economic growth; incremental improvements in economic and political governance; a better environment for managing the challenges of peace, security, and instability; growing demand for commodities; and great potential to exploit the demographic dividend. These attributes must be harnessed to take Africa inexorably towards continent-wide post-industrial development and increasing self-sufficiency and self-determination, all of which draw on the untapped market space for intraregional trade.

These African and global trends, which should be factored into Agenda 2063's decision-making, are now reviewed.

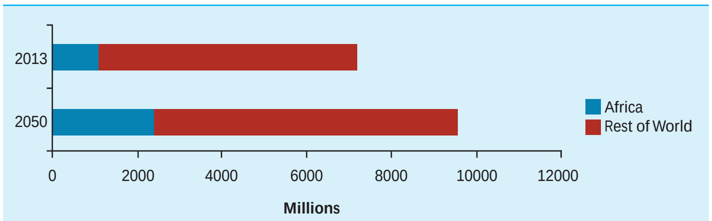
4.1 African trends: demography

Most of the world's population growth will occur in Africa, Asia, and Latin America in the next few decades, while the industrialized countries of the West will account for less than 3 percent of that growth.

Currently at 1.1 billion, Africa's population is expected to grow to 1.4 billion by 2025 and to more than 2 billion by 2050, which will amount to 22 percent of the world's population. Africa's demographics include a younger current population, whose median age is 19 years, where 40 percent are younger than 15 and 60 percent are younger than 25. Because the population of reproductive age will continue to represent a large share of Africa's people, population growth will stay high for the better part of this century.

Africa's population will remain predominantly rural (60 percent in 2010); Africa is the only continent where the rural population is expected to increase until 2050—from 736 million in 2025 to 764 million in 2050. The continent could thus benefit from a future in global agriculture and food production. The corollary of a predominantly rural population

Figure 2: African and global populations, 2013 and 2050



Source: United Nations Secretariat 2013.

Note: The original source provides low, medium, and high variants. The medium variants are used here.

is that Africa is the world's least urbanized continent, although this is changing. The urban population accounted for 39 percent of the total in 2007 but should represent 47 percent in 2025 and 62 percent in 2050 (UN 2008).

Africa's demographic cycle has direct implications for growth and development, especially in meeting the MDG priority of eradicating poverty (only 17 countries have met that). Urban poverty is one of the biggest challenges for Africa: almost 66 percent of urban dwellers live in informal settlements without adequate water, sanitation, transport, or health services, all of which cause hunger, disease, deprivation, and anti-social behaviour. There is also the loss of skilled human capital, which is responsible for the continent's deficits in innovation, job creation, and entrepreneurial dynamism: more than 15 percent of Sub-Saharan Africa's skilled professionals earn a living outside its borders (UN 2008).

Can Africa take advantage of the demographic dividend to promote economic and social progress? To accomplish this, it will need to strongly promote education at all levels in order for its youth to become a productive labour force and for the intergenerational transmission of poverty to end. This progress must be coupled with investments in productive sectors of the economy (to ensure job opportunities) and with good governance (to improve the effectiveness of sectoral and welfare policies, particularly as these integrate women into productive activities and promote gender parity). In short, Africa can sustainably manage its demographic challenges only if it improves health care and education and, more broadly, all components of human and social capital (Vimard and Fassassi 2012).

4.2 African trends: trade, aid, and growth

Africa's share of world trade is minuscule: in 2001 it was 2.2 percent and still only 3.0 percent in 2011. Trade is dominated by six countries: Algeria, Angola, Egypt, Morocco, Nigeria, and South Africa, which jointly accounted for 63 percent of Africa's exports and 58 percent of its imports in 2011 (Mutambara 2013). Africa has registered around 5.5 percent annual average growth over the last decade, despite the turbulence caused by the global financial crisis of 2008. This growth has been more broad-based, although the net oil exporters continue to do better than the net oil-importing countries.

Africa has been a beneficiary of the rapid increase in South–South trade and capital flows: FDI from the South increased from 5 percent of global outward flows in 1990 to more than 20 percent in 2010 (UNCTAD 2011). Africa has also been the destination for increased investment from China, India, and the Gulf States. Moreover, the continent's creditworthiness and fundamentals have shown commensurate improvements over the last decade, with greater stabilization of once-risky markets.

This positive momentum has coincided with the political and economic prominence of new emerging powers in Africa as markets have been opened to foreign competition and private capital flows. The BRICS countries have become a significant component in Africa's stimulus to growth, largely due to the continent's untapped and embryonic markets and tremendous natural-resource wealth. In 2010, they accounted for 25 percent of FDI inflows and 14 percent of FDI stock and featured heavily in manufacturing and services (TRALAC 2015).

In turn, Africa has provided a strong trade response: trade with the BRICS has grown faster than with any region in the world, doubling since 2007 to US$340 billion in 2012 and projected to reach US$500 billion over the next two years, with China accounting for 60 percent of it. With total trade of almost US$200 billion in 2013, China has expanded its footprint in mining, manufacturing, processing, construction, engineering, financial services, communications, and agro-processing. Its burgeoning role in building roads, oil and gas pipelines, shopping malls, railways, power plants, water conservancy, airports, and housing is indicative of Africa's massive infrastructural gaps, and explains why more than 35 countries have entered into infrastructure financing deals with China (Feifei 2014).

While there can be no doubt about the multiple benefits and public goods that China has provided to Africa, this engagement entails some negative attributes. First, the sanctity of China's principle of non-interference may embolden some of Africa's autocratic regimes and thus undermine democracy, good governance, institutional transparency, and human rights. Second, there is corruption in the Chinese business culture and a lack of transparency in how business deals are concluded. China is not party to codes of conduct such as the Extractive Industries Transparency Initiative or "Publish what you pay" in accounting for oil revenue, compounding the problem (Le Pere 2008).

Third and biggest: China's patterns of trade with Africa replicate forms of neo-colonial structural dependence that treat the continent as a commoditized periphery. China's main imports are natural resources and primary products with little value added, while the bulk of its exports are manufactured and consumer goods. These patterns, especially the dumping of cheap Chinese imports and the displacement of local products, have affected nascent industrial development. Moreover, they have serious consequences for sectors where African countries at least have some competitive and comparative advantage, such as agro-processing, textiles, clothing, footwear, and furniture, which have either stagnated or experienced terminal decline (Zhao 2014).

As a trading bloc, the EU remains Africa's most important partner. Despite crises, the EU still accounts for 40 percent of Africa's trade, totaling US$420 billion in 2011. Machinery, chemicals, and manufactured goods make up close to 80 percent of EU exports to Africa. (The developed countries of the Organisation for Economic Co-operation and Development (OECD) account for a similar percentage of FDI flows into Africa.) Africa's trade with the US has grown strongly since the passage of the Africa Growth and Opportunity Act (AGOA) in 2000, from a low base of US$35 billion in 2001 to US$126 billion in 2011 (11.4 percent), but the bulk of it consists of petroleum products.

Ultimately, the challenge for Agenda 2063 is to assist the continent in changing its trade patterns from an unsustainable over-reliance on commodities. Its terms of trade show a secular tendency to decline not only because of price volatility but also because the income elasticity of demand for manufactured goods is greater than that for primary products. In other words, as incomes rise, the demand for manufactured goods increases faster than the demand for commodities. The continent therefore faces the spectre of income from commodity exports failing to keep pace with the cost of imports. Moreover, in commodity markets value often benefits traders and those in distribution, transport, marketing, and advertising more, and therefore commodity-rich countries can only hope for rents that accrue from these activities.

In addition, the impasse that has characterized the Doha Round of negotiations in the WTO for more than a decade is symptomatic of the failure to address these concerns as development issues and to inscribe them as a package of measures that would reform the global trading system. Such reforms would create greater equity and balance in terms of the original letter and spirit of the Round. The focus has rather shifted to the market access and mercantilist interests of the major trading powers such as the US, the EU, and Japan. There is thus enough compelling evidence to demonstrate the failure of neo-liberal trade policy to engender broad-based development (Vickers 2009). The terms of Africa's integration into the global trading system thus follow a political logic rather than an economic rationale, which preserves the fundamental structures of power and Western elite domination while African countries continue to suffer from social fragmentation and economic dislocation as both development assistance and terms of trade decline.

4.3 African trends: democratization and governance

Democratization and governance are critical normative features of Agenda 2063 embedded in its transformation framework. The various pathologies relating to Africa's state and governance architecture have been noted. We can, however, use Freedom House indicators to the extent that these provide a general picture of the performance of African countries in the realms ofon political and civil liberties. In its seven-point rating scheme, 1 is a perfect democracy while 7 is the complete absence thereof.

In 1972, the first year of Freedom House's exercise, out of 44 African countries it examined, three African countries were listed as free, 31 as not free, and the remainder as partially free with an average score of 5.4. By 2010, with 53 African countries evaluated, 13 were categorized as free and 16 as not free, with an improvement in the average score of 4.2 (Freedom House 2010). The 2013 Ibrahim Index is also instructive: in measuring "political participation and respect for human rights," it found that 34 countries had made progress while 17 lost ground in governance indicators and suffered reversals in democratic gains mainly due to the persistence of neo-patrimonial and clientelist forms of government.

Improvements in the democratic order are also captured in the conduct of multi-party elections: from 1989 to 2012, close to 280 elections in 50 countries were held (AEO 2013). Theories of democratic consolidation suggest that three multi-party elections improve the prospects for democracy and each election further institutionalizes civil and political freedoms (Bratton and Mattes 2009). Moreover, greater popular participation in electoral processes indicates that the drive towards democracy is deeply rooted among Africa's citizenry, particularly women and youth. The electoral environment has been greatly enhanced by the adoption of national, regional, and continental codes of best practice while initiatives such as the African Peer Review Mechanism have also been salutary for deepening democracy in Africa.

According to Transparency International's 2014 Corruption Perception Index, four out of five African countries still rank below the world average (TI 2014). Generally, the endemic and systemic nature of corruption reflects the absence of institutional mechanisms capable of mediating and eradicating corrupt practices in the public and private sectors, checking growth and development and disproportionately affecting poor people. Where state institutions fail to deliver basic services or security, citizens are forced to seek refuge in primordial safety nets such as the family, clan, or tribe. Corruption thus helps to reinforce this culture of patronage, so that in many settings elections only deepen sectarian and ethnic cleavages and further undermine social peace (Murphy 2010).

4.4 African trends: peace and security

Globally, there has been a dramatic decline in the number of armed conflicts in Africa since the end of the Cold War. However, what is alarming is that the vast majority of armed conflicts take place *within* countries, and Africa has been especially vulnerable to this. Current conflicts in Africa not only have a strong civilian texture but also transboundary and international ramifications. In 2012, there were 12 such conflicts (twice the number in 2005). While occurring within country boundaries, half of these conflicts involved more than one African country and international allies battling insurgencies and terrorist threats. For example, the Al-Shabaab militant group is being confronted by the Somali government as well as East African allies led by Kenya; and in Nigeria, the government is embroiled in fighting Boko Haram Islamists in the north with the assistance of Cameroon, Chad, and Niger. In Mali, an international intervention in 2013 helped to end an insurgent offensive by the National Movement for the Liberation of Azawad (MNLA), Ansar Dine, and Al-Qaeda in the Maghreb (AQMI).

Africa's environment for promoting and better managing peace and security has been assisted by AU and UN peace-keeping and peace-enforcement operations across the continent. By mid-2008, 108,000 personnel (of whom 74,000 were troops) were engaged in 17 peace-keeping operations, the majority in Africa. The most important African-led operation is in Somalia under the auspices of the AU Mission in Somalia (AMISOM), which receives substantial AU and international support. The number of UN missions in Africa increased to eight in 2013 after the UN Multidimensional Integrated Stabilisation Mission in Mali (MINUSMA) was added. The other seven are in Western Sahara, Liberia, Côte d'Ivoire, Democratic Republic of Congo, Darfur in Sudan, South Sudan, and the Abyei region between Sudan and South Sudan (AEO 2014).

Increasing African engagement in the endeavour to end conflicts has been a catalyst for greater international and UN support, a review of which should be seriously considered as Agenda 2063 unfolds because such activities stifle African initiative and autonomous resource mobilization. It also promotes external "capture" of the continent's peace and security agenda and dependence on foreign powers. For example, the EU has nine Common Security and Defence policy missions deployed across conflict zones, and the EU Naval Force in Somalia—known as the Atalanta Mission—is aimed at strengthening the maritime capacity of five countries in the Horn of Africa to help combat piracy. The decision by the EU to establish the African Peace Facility in 2000 provided the impulse for €300 million to the AU to support peace-keeping and capacity building by 2006, with new appropriations thereafter. Most attention and funding has gone to the African Standby Force (ASF), which is intended to undertake a multiplicity of peace-support operations that may include preventive deployment, peace-keeping, peace-building, post-conflict disarmament, demobilization, re-integration, and humanitarian assistance (Cilliers 2008). However, the ambition of the ASF will not be met without greater resource commitment by African countries and regional bodies, or without better operational coordination and management.

Another metric of Africa's security complex is the rise of public protests, civil tensions, and social unrest, all of which have risen sharply across the continent, with 18 countries earmarked as being at a very high risk. This has been a consequence of poor service delivery, rising unemployment and poverty, and state oppression often responding to the protests surrounding the unmet aspirations of the Arab Spring under the slogan of "bread, freedom and social justice" (Le Pere 2014). Recently in South Africa, there has been a dramatic increase in social unrest and civil violence—related to xenophobia—perhaps symptomatic of how troubled the nexus between respect for human rights, civil liberties, welfare entitlements, and freedom of expression continues to be in Africa. Indeed, what has been called "political hardening" seems to be on the increase, where governments resort violently to growing popular dissent by arrests, bans, curfews, and states of emergency.

4.5 Global trends: the shift of power

The shift of power from West to East is the first of the four global trends. It is predicated on the relative decline of the US and the EU as a function of their reduced share of global GDP and trade, as well as their falling industrial production. This decline has been accompanied by the "rise of the rest" (Zakaria 2008). Of course, the US will remain a dominant economic actor because of its global dynamism and a GDP of US$16 trillion—of the leading 22 multinational corporations, half of them are American. Although the US will not be the largest economy, it will still be a dominant global player between 2015 and 2030. And although the EU is a larger economic entity than the US, it cannot rival US global hegemony, influence, and power; indeed—and largely because of its aging population and the crisis in the eurozone—the EU will experience a sharper relative decline in its share of the global economy in the coming years.

What is interesting about the "rise of the rest" is that by 2050, a group of seven emerging powers—Brazil, China, India, Indonesia, Mexico, Russia, and Turkey—will be 50 percent larger than the current G7 of Canada, France, Germany, Italy, Japan, the United Kingdom, and the US. China will remain the fastest-growing large economy in the world and will overtake the US to become the largest global economy in around 2025. India will have grown to 90 percent of the size of the US economy by 2050, when China is projected to be 30 percent bigger than the US (Grimm and Wenping 2012).

With its decline in economic hegemony, the US also faces the prospect of a growing security dilemma. US military expenditure stood at US$700 billion in 2010, but the more it spends on its own security and as global policeman, the more insecure it has become. Moreover, its military expansion and aggression have triggered a cycle of asymmetrical responses, especially in the spread of terrorism, extremism, and Islamic fundamentalism. Historically, there has been inordinate influence of the US military–industrial complex on the conduct of US foreign policy, against which President Eisenhower cautioned in his farewell presidential address in 1961. Ironically, the end of the Cold War was supposed to deliver a global peace dividend but American hard power—projected—has not only dented US legitimacy but also contributed to levels of regional insecurity, especially in the Middle East and North Africa (Le Pere 2014). Norms and standards of diplomacy and the multilateral mechanisms embodied in the United Nations have been marginalized as US foreign policy has become much more militarized and belligerent, especially in its quest to check the spread of weapons of mass destruction and in the conduct of its "global war on terror" after the events of "9/11."

In Africa and under the watch of President George W. Bush, the US established a single military command, AFRICOM. Based in Germany after a lukewarm reception in Africa, AFRICOM has a strange hybrid character. It is not only meant to support the improvement of Africa's peace and security architecture but also to promote public goods such as better governance, institution building, and social development in terms of the Malthusian dilemmas that the continent has to confront (De Lorenzo and Uttley 2007).

Agenda 2063 will thus have to factor in not only China's dynamic rise as a global power but also its future security relations with the US and the EU in an international context that is bound to remain unstable, turbulent, and volatile. Crucially, Africa—its regional institutions and political leadership—will have to craft more purposeful and assertive positions in shaping the multilateral order based on the realization that it needs the UN more than the UN needs it Herein lies a strategic opportunity because "[m]any global governance processes are, in fact, not very promising without the participation of African actors" (Messner 2007:119).

4.6 Global trends: climate change

Climate change is a threat multiplier, particularly in view of the goals to promote climate-resilient economies and modern agricultural sectors. In January 2007, the ordinary session of the AU's Heads of State and Government issued a call to African countries, RECs, and development partners to support climate-change adaptation and mitigation strategies and to integrate these into development and poverty-reduction plans (Rukato 2010).

Climate change poses distinct threats to Africa, working against its projects to improve its growth and employment and promote peace and security. There is thus compelling urgency for Agenda 2063 to address climate-induced challenges, most critically in food security, housing and settlement, and financing for mitigation and adaptation. The continent contributes only about 3.8 percent of total greenhouse gas emissions but its low adaptation and mitigation capacity only accentuates its vulnerability (Le Pere and Ikome 2012).

Many African countries are in areas already experiencing warmer temperatures and erratic climate patterns such as rain variability. Other climatic changes have accelerated soil erosion, droughts, and desertification and threatened Africa's increasingly fragile biodiversity and ecosystems. The continent remains ill-equipped to respond to the direct and indirect effects of climate change because of endemic poverty, poor economic and social infrastructure, low- and high-intensity conflicts, limited human and institutional capacity, and inadequate technologies and financial resources. The major impacts of climate change on Africa's developmental prospects include increasing water stress and water-related tensions, falling agricultural output and increasing food insecurity, rising sea levels, expanding range and prevalence of vector-borne diseases, and population migration (Low 2005; ECA 2007).

Agenda 2063 needs to confront this challenge head-on because, unless it is properly managed, the current and projected impacts of climate change could represent development traps that will further enmesh African countries in a crippling downward cycle of poverty, disease, and conflict (Grist and Speranza 2012). While heavily diluted as part of the UN Framework Convention on Climate Change and as mandated by the Bali Action Plan, the Copenhagen Accord provided for US$30 billion for African and other developing countries to finance their adaptation and mitigation to reduce emissions and to develop alternative and resilient energy and technology sources. Agenda 2063 must, however, take up the challenge of ensuring that the US$100 billion pledged to the Green Climate Fund is met by 2020, particularly as it is highly relevant for promoting low-carbon and climate-resilient development in African countries (Denton et al. 2015).

4.7 Global trends: globalization and state power

Africa is at the interstices of a global capitalist order and a more distributed multipolar power structure. In the former is a level of corporate economic and transnational business influence that is able to compete with, if not supplant, the power of states and governments in the latter.

In this dialectic between integration into the circuits of a capitalist order that is global in its reach and the maintenance of sovereignty as the quintessential canon of international relations, African countries have been subject to increasing external and conditional pressures to conform with prescriptions of human rights, the rule of law, good governance, and democracy. These pressures have become amplified as they increasingly attract NGO entrepreneurs and civil-society advocates. In this globalized environment of aggressive corporate interests and offensive mercantilism, the pursuit of power and profit is an overwhelming imperative, represented by "Davos Man" as a form of capitalist internationalism devoid of nationalist roots and loyalties (Rothkopf 2008).

There are more than 1,500 global companies with annual sales or assets of more than US$5 billion while the power and influence of most national political leaders typically does not extend beyond their borders. By 2010, global GDP was about US$50 trillion while in that same year, the world's top 250 companies had combined sales in excess of US$16 trillion, which is nearly a third of global GDP and exceeds US GDP. These companies have powerful lobbying capacity to influence domestic and international rules in their favour, and their operations can locate among countries that offer the best returns or where their market power is not subject to intrusive regulatory interference.

In such an environment, political leaders have to report to two constituencies: the electorate on whom they depend for votes and the financial markets that subject their policies to a daily referendum. Any hint of political risk or arbitrary change in the investment environment is severely punished (Rothkopf 2008).

Against this background, an important development has been the growth of sovereign wealth funds in countries that fall outside the orbit of Western influence. Kuwait and the United Arab Emirates, for example, manage their substantial foreign exchanges reserves generated by oil and gas revenue. By 2012, sovereign wealth funds controlled assets of around US$3 trillion, a figure that could rise to US$12 trillion–US$15 trillion over the next decade if commodity prices hold steady.

Such funds are increasingly seeking investment outlets across Africa: take Mubadala Development, a subsidiary of the Abu Dhabi Investment Authority, which invested US$400 million in Nigeria's telecoms sector. In turn, the Nigerian government has set up its own African Finance Corporation as a private equity fund directed at Africa with a capital base of US$462 million.

There is further momentum from the World Bank, through its International Finance Corporation, to set up a "fund of funds" that will bring 1 percent of sovereign wealth into critical sectors in Africa such as agro-processing and manufacturing, but that could also assist in better supply-side management in infrastructure, energy, and transport. This fund of funds could add a potential US$30 billion to Africa's growth and development budget. Agenda 2063 would, therefore, do well to integrate these developments into its decision-making, particularly the extent to which the shift to state-owned enterprises could generate financial leverage through sovereign wealth funds.

A major part of the globalizing narrative concerns an international system characterized by turbulence, crisis, and structural vulnerability that is disruptive to markets as it is destructive to national economies. For example, the impact of the 2008 global financial crisis saw developed countries retreating into their protectionist enclaves, and abandoning their international obligations relative to trade, development cooperation, debt relief, and climate change and thereby contributing to the further balkanization between rich and poor countries. Many developing countries, without resources to make counter-cyclical adjustments or put in place stimulus packages, have felt the disempowering sting of market capitalism and international financial flows. There has, therefore, been growing recourse to certain levels of state involvement in macro-economic policy through resource and economic nationalism and tighter market regulation. This is the external context that Agenda 2063 should take into account if there is to be a genuine turn to building African developmental states.

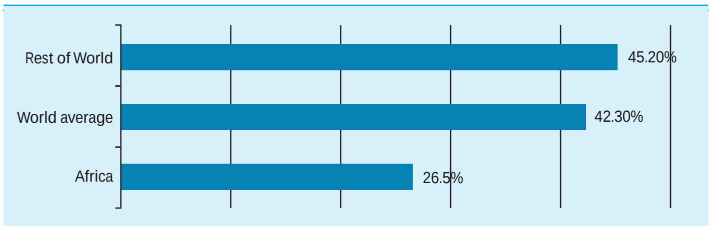
Abundant hidden resources in the continent can be "discovered" through, for example, policy interventions such as improving tax collection, formalizing informal activity, targeting the use of remittances, stemming illicit outflows of capital, combating corruption, and designing institutions and processes that provide the policy space to adapt to fast-changing global market conditions.

4.8 Global trends: interdependence and inequality

The great paradox of our times is that interdependence has brought people, societies, nations, and regions together as "communities of fate" where the future of humankind and planetary stability are indivisible. Yet developing countries, especially in Africa, continue to find themselves at the margins of our integrating and interconnected universe, although this is fast changing.

For example, around 1.6 billion of the planet's population of roughly 7 billion use the Internet, and this will grow at an average of 40 percent per annum. In contrast, only about 60 million Africans out of 1.1 billion use the Internet—on this metric one of the lowest regions in the world. There are, though, encouraging signs in that annual rates have increased at around 135 percent from this low base, with similar growth trends in Africa's cellular market, where Nigerians are among the heaviest users of mobile phones, followed by Egypt, Morocco, South Africa, and Algeria.

Figure 3: Internet penetration in Africa versus the rest of the world, 2014



Source: www.internetworldstats.com.

The increasing use of technology provides an impulse for growth and development which is uncontested. It derives from an accumulating stock of human knowledge, dynamically selecting alternative ways of thinking and doing, testing hypothetical solutions, refining information and data and, most crucially, building human and social capabilities to manage change (Gault 2010). All these issues work to drive innovation in improved products and processes, marketing methods, organizational design, workplace organization, and more.

Yet the absence of such innovation in Africa accounts for African firms having 20 percent less of a competitive edge than their counterparts in other regions, where structural and cyclical features play a big role (WEF 2009). A pervasive gap exists in general science, technology, and innovation performance across Africa if measured in its share of world-class researchers, share of global research and development expenditure, and the share of GDP expenditure on research and development.

There is, therefore, a premium for Agenda 2063 to help improve Africa's capacity to use science and technology and to stimulate innovation systems, especially in critical development sectors such as water and sanitation, education, energy and electricity, information and communications technologies, climate change, and agriculture (Maharajh, Sall, and Karuri-Sebina 2012). The challenge for Agenda 2063 will be to harness international partnerships to secure this capacity.

5

Informants' Views: A Synthesis

Twenty-three informants from a cross-section of organizations were interviewed for this study in March and April 2015. They included representatives from businesses, think-tanks, academia, the diplomatic corps, governments, and regional and continental institutions (Annex 3). An open-ended set of questions pursued various lines of gathering information (Annex 4).

The informants' knowledge of the objectives of Agenda 2063 was impressive. Most had also read the strategic AU document "The Africa We Want," which sets out the evolution and broad purpose of Agenda 2063, or had seen various media reports on it. The informants also knew their away around the critical issues shaping the continental and global landscapes.

There appears to be a strong convergence of views among the informants and the vital analytical and normative issues we have attempted to highlight in these two landscapes. The main aspects of convergence relate to the institutional and governance capabilities and political will of African states, and the abilities of regional and continental institutions to propel growth and development on the basis of the visions, norms, and standards of Agenda 2063 against the backdrop of a less-than-supportive international environment.

Many expressed great concern about the extent to which African actors can provide the political and civic leadership, vertical and horizontal ownership, governance and oversight, and resource mobilization required. Without these, it will be difficult to generate real developmental traction and people-centred outcomes per Agenda 2063's transformation framework and 10-year programmes. They will have to take place in a global context that is decidedly schizoid: one where Africa is incrementally enjoying greater geo-strategic relevance, primarily because of the commodity boom, but also where it is still marginalized over getting better terms of trade, aid, debt relief, or development finance. Global trends conspire against "Africa rising," as one informant put it.

Many informants spoke to the mixed record of RECs and the AU in promoting more substantive forms of regionalism. Their assessments largely repeat what is well known, centring on efforts to deepen economic integration on the basis of the linear "Abuja template," to use one expression. Free trade areas and customs and monetary unions have not been very successful so far, which helps to explain the low levels of intraregional trade. Africa's continued reliance on the export of raw materials and cash crops has hardly produced a complementary continental market, but rather one that is competitive and characterized by high levels of economic nationalism. Some informants found it hard to imagine how Agenda 2063 would make any difference, because over the life of the OAU/AU so many protocols, plans, and declarations have been adopted but hardly any of them have been implemented.

Moreover, African states and governments have been lethargic in their political support of the AU's integration programme. This is indicative of their reluctance to cede a measure of sovereignty to regional and continental bodies for the larger public good.

One informant noted the paucity of continental champions since the departure of Presidents

Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria, Abdoulaye Wade of Senegal, the late Meles Zenawi of Ethiopia, and Abdelaziz Bouteflika of Algeria (all of whom, as a group, the informant called the "African Renaissance" coalition) and lamented the absence of a strong continental leadership that could build and develop the foundations of regional integration in Africa. This was also compromised, according to another, by the lack of a spirit of cooperation and solidarity between the AU and the eight RECs, which are supposed to form the essential building blocks of continent-wide integration. Rather, there appears to be a "strategic distance" between them, which could further undermine the efforts of Agenda 2063 to harmonize integration agendas and to promote a stronger sense of Pan-Africanism.

Most informants recognized that while Agenda 2063's great promise is grounded in building on past and present continental initiatives, there is a history of failed regional and continental economic and political integration. These setbacks have embedded structural pathologies in African politics and undermine the pan-African ideal, mainly because, as one informant put it, "Africa is a graveyard of grand schemes and implementation failure." The summarized view is that these relate crucially to problems of better managing transnational challenges such as conflict and insecurity; intraregional trade; illicit financial flows; rising religious fundamentalism; a growing population of alienated youth; disease epidemics, especially Ebola; and problems associated with climate change and pressures on resource usage.

Regional and continental integration initiatives have had to contend with a diversity of growth trends and development trajectories of African states. The 35 that are classified "least developed" pose special challenges for Agenda 2063 and the AU vision. Of particular significance will be how both domestic and continental resources can be mobilized in order to reduce the dependence and reliance of Africa's 35 least-developed countries on external donors. In one view, it is these countries that are particularly prone to conflict, state fragility, environmental degradation, disease, criminality, and internally displaced people who often migrate in search of better opportunities. There was reference to the tragic consequences of human trafficking across the Mediterranean as a stark manifestation of this problem.

Agenda 2063, in the view of many informants, will have to focus on the axes of Africa's international engagements, primarily because they can retard as well as promote its growth and development. Many also felt that the continent needs to develop some "autonomous space" to become more assertive and start to dictate some of the terms of engagement and the agendas that come with them. Such engagement, one informant argued, can be either extensive and competitive (as with the EU and the US) or selective and cooperative (as with BRICS and other emerging powers), but either way demands a strategic calculus in measuring costs and benefits and how to respond to them by enhancing the benefits while reducing the costs. If this is not done expeditiously and in a coordinated manner, the continent will struggle, for example, to build the necessary national and regional platforms for industrial take-off.

Other intersecting axes have to do with the capabilities and resources of African states, RECs, and the AU; and how resource-mobilizing and institution-building mechanisms can be put in place to ensure development from a low to a high base, in order to meet the funding, governance, and management imperatives of Agenda 2063.

The fundamental challenge for Agenda 2063 is, therefore, to develop a constructive level of "burden sharing" and support with the international community while ensuring broad-based

African ownership and management of Agenda 2063.

The views of respondents can be disaggregated into four quadrants of responses, discussed in detail just below:

- the first sees great possibility in unlocking the continent's potential and building on current gains in growth and development if the letter and spirit of Agenda 2063 are followed;
- in the second, Agenda 2063 is another failed experiment in the litany of frameworks developed over the last 50 years, where risk factors and morbid symptoms are allowed to multiply themselves;
- in the third—and because of Africa's growing strategic relevance—international engagement expands to a degree, but only on the basis of an association with strategic African countries and ruling elites, and coming at the expense of regional and continental initiatives; and
- the fourth takes account of differences in the performance of African countries and great divergences in national interests, which make it very hard to sustain the efficacy and ownership of Agenda 2063 over five decades.

5.1 Unlocking Africa's potential

The first set of views represents two lines of thinking by several informants. For some, there is distinct evidence of features of an "African Renaissance" represented by high growth rates, more responsible governance and accountable use of public resources, declining levels of conflict, great untapped human and natural capital, and an Africa gaining in international prominence mainly due to the "China factor." The African environment, in this view, is ripe for attracting greater investment because potential growth rates across strategic economic sectors remain very promising, notwithstanding the effects of the global financial crisis. In one person's opinion, the Constitutive Act of the AU generated greater interest and commitment among member states to adhere to its principles of governance and regional integration, which is at least reassuring for Agenda 2063, although it will still have to contend with the "sovereignty curse."

The other line of thinking is that positive changes reflect a short-lived, global spotlight, especially with the 2015 MDG deadline upon African countries and many African countries falling far short of meeting them.

Africa's MDG experience is bound to have consequences for the extent to which Agenda 2063 will elicit international support, unless there is better alignment with current development programmes such as NEPAD and the raft of projects such as PIDA, the Continental Free Trade Area (CFTA), Boosting Intra-African Trade and others. Even when it was becoming evident that many African countries were struggling to meet their MDG targets, the response of the world's rich countries was very lethargic if not indifferent, thereby failing to mobilize additional resources even when they could have. As part of this perspective, another informant pointed to the reversal of governance and development gains in view of natural calamities, a restless youth population, rising food insecurity, and increasing communal and sectarian violence, which could exacerbate political instability and renew frozen conflicts.[1]

The challenge for Agenda 2063 is to arrest this slide and build on the emerging "African consensus" of growth and development. In

1. Now, too, Africa has to deal with the post-2015 Sustainable Development Goals (SDGs), whose 17 goals and 169 targets might even be more onerous and demanding to meet than the MDGs. "Where does Agenda 2063 fit in with this scheme?" one informant asked.

another view, the majority of member states have shown renewed commitment to RECs and the AU, encouraging greater support from international partners, especially regarding the degree to which traditional partners can coordinate their efforts with new partners. Such assistance has been especially evident in supporting the budget and programmes of the AU, underwriting the costs of peace-keeping, and improving the general security situation on the continent. But this level of support represents only the "tip of the iceberg" of what is needed to sustain funding levels for Africa's future growth and development, much of which should be generated without recourse to external support. (An ECA informant suggested that two documents produced in 2015 by ECA and ECA/AU be taken very seriously by Agenda 2063 planners: *Innovative Financing for the Economic Transformation of Africa* (ECA 2015); and *Track It, Stop It, Get it: Illicit Financial Flows* (AU/ECA 2015)).

5.2 Pessimism and the prospect of failure

The second set of views represents a pessimistic reading of Agenda 2063 as yet another iteration of a growth and development model, albeit one that comes at an auspicious moment of sober reflection on 50 years of post-independence experiences.

External actors are becoming increasingly ambivalent towards new initiatives after the initial excitement about NEPAD as a broad-based socio-economic blueprint whose returns and impact, in one view, have largely been disappointing. This is not to suggest that external partners will abandon the continent, but rather that levels of fatigue have set in about the slow pace of change across the continent and the tendency for old problems to continue surfacing in new guises. Engagement will thus tend to be selective unless assertive diplomatic resources are put into Agenda 2063 to convince international partners otherwise.

Energy security will remain a driver of engagement, and oil and gas will continue to attract private investment. However, there is likely to be declining donor support and public investment in vital areas such as education and health as well as infrastructure development. Resource-rich countries will muddle along, but resource-poor countries will be the worst affected by this potential retreat of external interest in Agenda 2063.

Such disengagement would have direct implications for developing human capital among Africa's burgeoning youth population, along with the disadvantage of constraining innovation capacity and placing limits on the use of technology to improve productive capacity or to create employment. Accelerated migration to African cities is already producing large pools of unskilled and low-skilled labour, which are unlikely to be absorbed into the formal economy. In economic terms, Africa continues to be a marginal global player and this lowly status, one informant argued, will intensify unless Agenda 2063 addresses ongoing crises in governance and development in a manner that closes an ever-widening gap with other regions of the world. Agenda 2063 will be challenged to reverse the cynicism that might affect external perceptions about it as yet another "messianic exercise" where the pendulum might swing from promise to indifference.

5.3 Limited international engagement

The next set of views highlights cold realities that Agenda 2063 cannot ignore. The progress in governance, peace, stability, growth, and development could be undone if African countries do not transcend the hard boundaries of state sovereignty and elite rule and move towards more accountable forms of rule and governance.

In one view, governments and ruling elites still behave in a predatory manner, given to forms of “primitive accumulation,” self-enrichment, and rent-seeking behaviour. This helps to explain why, even with its abundant resource bounty, more than 400 million Africans eke out an existence on US$1.25 a day. African governments do not invest enough in their citizens’ welfare to provide basic access to health, water, sanitation, and education; or in developing the most productive sectors of their economies. This perpetuates the imagery of the continent as a compendium of faltering and collapsing states that exist on the periphery of the global political economy and where ordinary Africans are condemned to never-ending cycles of poverty.

This social fragmentation is compounded by the bilateral nature of foreign relations, where external partners concentrate on a state-centric approach that does not take account of the regional integration that can go a long way to addressing Africa’s multidimensional growth and development challenges. It is hard to imagine how member states of the AU will meet the very basic and fundamental requirement of being developmental and providing strong leadership as a basis for domesticating and implementing Agenda 2063 to ensure a people-centred approach.

For one technical expert, these problems could undermine the very essence of subsidiarity—at the heart of the institutional and political chemistry required by Agenda 2063—needed to ensure a workable and constructive division of labour between member states, RECs, and the AU Commission in harnessing all of the continent’s competitive and comparative advantages.

5.4 Divergent performance and national interests

Agenda 2063 could, in the fourth set of views, represent a revitalized vision and programme for the socio-economic transformation of the continent at a time when it is struggling with all sorts of centrifugal forces. However, the post-independence experience, but particularly the demise of Pan-Africanism, has made it more difficult for Africa to act as a coherent entity other than in artificially defined geographical terms when its colonial borders were sanctified at the time of the founding of the OAU.

According to one academic informant, the Cold War turned the continent into a terrain of superpower rivalry and competition whose legacies continue to impair its growth and development. This rivalry has taken on a different post–Cold War complexion with the same results—much of the continent suffers from underdevelopment and slow growth. The commodity boom has helped to give commodity-rich countries a higher profile and hence, international engagements have been selective and competitive.

This is especially the case with China and increasingly with India, Brazil, and South Africa as part of the BRICS, which maintain highly significant cooperative relationships with resource-rich African countries. These countries have benefited from public and private development finance, improvements in their infrastructure, and a strengthening of their manufacturing and service sectors. This kind of selective engagement can only reinforce divisions and differences among African countries, which Agenda 2063 should take into account.

However, another informant felt that there is another grouping of countries that have registered improvements in governance, macro-economic management, free and fair elections, and improved citizen welfare, and that are more stable politically. These countries also attract external attention, mainly from Western countries, but this relationship is also selective. The third grouping of countries is mainly the least-developed countries that have been subjected to controversial forms of development cooperation, especially by the EU, the US, and the Bretton Woods

Institutions, which treat them as basket cases and administer intrusive conditions and interventions.

The informant who provided this line of reasoning argued that the differences among countries must be managed by Agenda 2063 since they “intrumentalize” Africa as a collection of states with wide divergences in their geo-strategic, political, and economic value, further exacerbating the polarization of the continent along the inherited colonial axes of nationality, language, and ethnicity.

African countries therefore owe it to their citizens to forge meaningful economic partnerships with each other to overcome these structural obstacles; otherwise, even in the best of conditions, the establishment of a continent-wide free trade agreement will make little difference in boosting intraregional trade.

But the challenge is not so much on tariff reduction. Agenda 2063 should rather focus on transforming African economies to boost their productive capacity through systematic industrialization initiatives and infrastructure development. These moves must be paralleled by harnessing Africa’s assets in agricultural production, and by strategies to mitigate the effects of climate change on Africa’s food output.

6

Informants' Views: Africa's Risk Profile

The above responses of informants are now clustered into a tripartite topography of risks—country, regional and continental, and global—that, in their view, could undermine the promise of Agenda 2063.

6.1 Five country risk factors

6.1.1 The nature of the post-colonial state

There was broad agreement that many post-colonial states in Africa are beset by violence and volatility, both compounded by poor governance and accountability, the abuse of public resources, politicized ethnicity, and growing sectarian fault-lines. The nature and evolution of Africa's post-colonial state have been "an albatross on Africa's development," as one informant put it.

The continent is made up of a great diversity of states and societies with pronounced structural variation in political and economic development, history, and culture. Moreover, there are certain features inherent in African countries where diversity in the economic, social, and political landscapes may pose even higher risks and threats. Some informants noted that, while several African countries have achieved real rates of growth over the last decade, the economies of many are still underdeveloped and characterized by weak private sectors and a heavy reliance on natural resources. Moreover, despite a growing middle class and consumer market, many African countries remain vulnerable to extreme poverty, poor social development, and poor education.

6.1.2 Competitive politics

Competitive politics and democratization have responded poorly to providing the integrative impulses necessary for managing diversities, according to many informants.

The widespread acceptance of free and fair electoral processes has not fulfilled the promise of a participatory and representative democracy. If anything, there is a worrisome trend of elections being used to strengthen incumbents' hold on power, thus preventing generational changes in government through competitive politics. Constitutions, as well as participatory and representative institutions, which should provide legitimacy for political stability, are often undermined with impunity.

Moreover, the tendency towards centralizing power and authority has hindered the development of systems of local government that might otherwise enhance popular participation and better service delivery. The big risk is that Africa may be witnessing a slow return to forms of militarism, autocratic styles of leadership, patronage-based politics, and unconstitutional changes of government. The progress registered over the last two decades in establishing multi-party systems and competitive elections has not necessarily made the post-colonial African state more stable, efficient, and accountable. One informant noted the risk of growing popular discontentment and disillusionment with governments, as evidenced by the challenges to authoritarianism from below in the Arab Spring as well as coups in Niger, Mali, and the Central African Republic.

6.1.3 Corruption

Highlighted by informants and linked to the evolution of the post-colonial state in Africa are corruption and weak institutions. Despite valiant national, regional, and continental efforts to put in place anti-corruption mechanisms and codes of behaviour, corruption in the public sector has remained a persistent challenge across African countries of every hue and stripe. This persistence is grounded in systems of patronage which, in turn, are integrated into weak state institutions and ubiquitous forms of informal economic activity that feeds networks of clientelism.

Governments and societies, as one informant said, must wage the “moral equivalent of war” against corruption, which has also infected the business environment. Without strong institutions, the clientelist system will perpetuate itself—undermining the rule of law and the state’s capacity to generate revenue, enforce contracts, and ensure property rights. These inadequacies pose grave risks, especially as domestic and foreign investors expect consistency in government policies and clarity in laws and regulations.

6.1.4 Political violence

Several informants emphasized chronic political violence which, because it occurs in such variegated forms in Africa, makes the risk level inordinately more complex. While they noted a precipitous decline in interstate warfare over the last two decades, the risks associated with political violence arose from multiple sources: internal conflict, post-conflict situations, political unrest and uprisings, violent state actions, terrorism and religious fundamentalism, the proliferation of weapons, and militant insurgencies. All these, singly or together, threaten the already fragile integrity of the African state system.

While ongoing conflicts remain a menace to the stability of many African regimes, according to informants, there are also post-conflict situations where state and civilian security remain a serious problem. In many post-conflict environments, state and political institutions remain weak and there are often problems in disarming, demobilizing, and reintegrating rebel forces. The presence of sizeable rebel contingents remaining at large has encouraged crime, banditry, and extremist activities. The major challenge here is that, to ensure the recovery and reconstruction of affected countries, the far more resources are required.

6.1.5 Slow social development

Low levels of social development have, in the views of most informants, stymied Africa’s growth and development. But some informants pointed to positive indices of growth, with one noting specifically that six of the 10 fastest-growing economies in the world are in Africa. However, many countries lag behind the rest of the world, especially those in Sub-Saharan Africa classified as least developed.

Development progress and poverty reduction have been severely held back by disease and the risk of HIV/AIDS and Ebola. (It was noted that Southern Africa bore the brunt of the HIV/AIDS pandemic as half of Africa’s population of infected persons are in that region.)

Countries with low levels of development and human resources face a severe risk of skills shortages in their labour forces, which keeps productivity low. One informant said that while economic growth and a growing market of consumers were important to changing the fortunes of African countries, there were other unintended consequences such as rapid urbanization, with pressures on housing, employment, health, education, and transport, that many African countries will struggle to meet. Other challenges result, including the dramatic increase in the youth population and the risk that they will face bleak futures of poverty, homelessness, and unemployment at a time when African governments' welfare efficiency is being tested.

6.2 Five regional and continental risk factors

Most informants agreed that the risks identified in the country axis are beyond the scope of a single country to resolve, and therefore that regional integration is an important public good to be pursued with greater vigour. They (generally) greatly welcomed this underlying axiom of Agenda 2063. However, they noted five problematic risk areas that could affect how Agenda 2063 unfolds.

6.2.1 Awkward geography

Geography is a major challenge to regional integration. Informants referred to already well-known impediments: poor infrastructure and transport networks within and across regions; weak technological connectivity that increases transaction costs for goods and services; and the high expense of intraregional trade across boundaries burdened by cumbersome customs procedures and regulations.

The problem of geography has particular implications for Africa's landlocked countries, whose export potential is directly dependent on the infrastructure regimes and policies of their coastal neighbours. Into the geographic risk-mix can be added the many visa and immigration restrictions, laws, and policies that make the crossing of African borders a difficult and often discriminatory affair. This "geography of difference," as one informant put it, encourages high tariffs, numerous non-tariff barriers, and corruption in immigration, security, and customs agencies. The serious risk linked to geography is its negative bearing on formal economic interactions and trade flows, which has encouraged a broad culture of informal cross-border activity that includes smuggling, crime, human and drug trafficking, and piracy.

6.2.2 Slow regional integration

Desultory progress made in the long discourse on regional integration, according to several informants, has impeded it.. There has been fruitful debate over definitions, strategies, diagnostics, and outcomes but scant evidence that the legions of resolutions and policy decisions that member states conclude at regional levels will find their way into national planning and development policies.

Although the formation of CFTA (see just below) might help to reinvigorate regional integration, multiple membership in RECs has meant a loss of policy direction and coherence and different regional stimuli dictating the pace and sequence of integration. The risk is that ultimately viable and effective integration will depend on the commitment and sacrifice that members are willing to make for the regional good, including meeting their legal obligations and fulfilling their core functions.

The risk embodied in this complex of challenges, some argued, is that countries are driven to pursue their national interests and to protect their sovereignty—the "Westphalian curse" in Africa, as one academic informant put it—but they also represent different state capacities and different ideological dispositions. In this reasoning, regional integration is often seen more as a burden and a cost and helps to explain why domesticating regional policies and agreements remains so problematic. The danger for Agenda 2063 is that this recourse to putting national interests and sovereign objectives first could hinder the development of a new type of Pan-Africanism based on greater solidarity and a common identity.

6.2.3 The CFTA

The technical experts queried the extent to which the CFTA (scheduled to be established by 2017) would generate higher volumes of intraregional trade. While the Tripartite Free Trade Agreement between COMESA, EAC and SADC holds great promise, it is far from ready to catalyze the launch of the CFTA in two years' time. They noted the importance of the principle behind the CFTA but doubted the preparedness of member states to make it a meaningful reality, given the elusive promise of several other free-trade areas.

Equally worrisome has been the poor follow-through with rationalizing and harmonizing policies and programmes between the RECs and the AU, despite the 2007 adoption of a protocol to promote it. Against this backdrop, Agenda 2063 aims to address the structural transformation of the continent through the free movement of people, capital, goods, and services that will grow trade and investment among countries. The risk is that these objectives will not be realized if we take the history of failed regional and continental experiments as our guide.

It is thus time for Africa to move beyond grand frameworks, lofty conceptualizations, and cumbersome planning matrices. It should focus instead on what is feasible, so that what used to be called "boilerplate" projects can better link people, goods, and services across and within regions on the basis of developing RECs' soft and hard capacities.

6.2.4 Inadequate resource mobilization

After the global financial crisis, resource mobilization, capital inflows, and assistance to developing countries were weak. While many African countries have managed to broaden their domestic tax bases and introduced revenue-generating instruments such as value-added tax, these are still insufficient to generate the resources to spur development. Low savings and underdeveloped capital markets (needed to attract foreign investment) compound financing needs at the domestic level.

The challenge of mobilizing resources to fund Agenda 2063 projects is even more daunting. According to one informant, the earlier expectation that Africa's supply-side needs—, particularly infrastructure—would be met by market forces was grossly mistaken. A concerted effort is required to recapitalize African institutions such as the African Development Bank and the Development Bank of Southern Africa; to put in place internal and external alternative forms of development finance; and to tackle illicit financial flows from the continent.

If these steps are not taken, there is a high risk that even hard projects identified in Agenda 2063's first 10-year plan will not get off the ground. Two alternative global sources of long-term development finance are the newly launched BRICS Bank and the Asian Infrastructure Investment Bank. However, it was unlikely that Africa would get what it needed in terms of the PIDA requirements: US$68 billion for priority projects until 2020 and US$300 billion until 2040. The funding risk is that the costs of developing infrastructure networks in Africa remain inordinately high and the path of least resistance might lean towards "bankable" opportunities that are linked to further exploiting commodities, because extractive industries provide higher returns to scale while the price of commodities remains high.

6.2.5 Africa's peace and security architecture

The degree to which Africa's Peace and Security Architecture (APSA) is being institutionalized to secure better coordination, harmonization, and standard-setting encapsulates the final set of risks. Some informants felt that knowing this was important because APSA's success does not wholly depend on the AU but also on a wider range of actors who could constitute Africa's security regime.

Although a memorandum of understanding on peace and security between the AU and the RECs was signed in 2008, APSA still lacks design and purpose. While there seems to be a great measure of principled and normative agreement, there also appears to be divergence in practice, especially on important matters such as respect for basic human rights and freedoms, the sanctity of human life, appropriate conflict-prevention strategies, respect for democratic norms, good governance, and the rule of law. In addition, the growing raft of internal conflicts across Africa raises important questions about where and how critical principles such as “human security” and the “responsibility to protect” fit into APSA. Indeed, the AU’s Peace and Security Council has often been criticized for ignoring the grave situations where these principles are at stake or where they are threatened, in cases of genocide, crimes against humanity, and now the creeping scourge of unconstitutional changes of government and incumbents seeking third terms.

One academic informant highlighted several risk areas that would continue to undermine the demands of institutionalized cooperation within APSA and that would amplify the challenges of implementation, effectiveness, and resilience. The first was that AU member states still retain the ultimate authority and decision-making powers to intervene in grave matters. The AUC thus functions at the behest of member states and lacks the competence to act autonomously in situations that require urgent redress in maintaining peace or resolving conflict. Second, member states are often directly implicated in violations of or non-compliance with principles that the AU was set up to protect (such as human rights, democracy, good governance, and the sanctity of human life). Third, the aim of institutionalizing APSA will continue to suffer from capacity deficits and member states’ inability to meet their financial obligations, which has increased APSA’s reliance on external funding and raised issues over its ownership and sustainability.

6.3 Four global risk factors

Informants noted the difficulty of predicting the possible effects in Africa of changes in the global landscape, one of which could be undermining the vision of Agenda 2063. Several noted that after the Cold War ended, it seemed that the world would be more peaceful and prosperous because of the promise of multipolarity and the need for better global governance and international cooperation to manage a growing agenda of transnational problems. “Complex interdependence” was one informant’s catchword for coping with the emerging challenges, entailing greater recourse to multilateral problem-solving and consensus-building.

Still, the discussions identified four, somewhat overlapping, external factors that could have an impact on Agenda 2063.

6.3.1 Trade and the economy

Many informants noted that Africa’s reliance on primary commodities as a source of export earnings leaves the continent vulnerable to market vagaries and changing weather patterns. Africa thus risks volatility in commodity prices and attendant terms-of-trade losses. The current commodity boom is not sustainable, as many African oil producers have felt the effects in the dramatic decrease in the price of oil. Africa’s weak trade performance reflects its inability to source cheaper finance or to build efficient transport and logistics networks, financial capital, and human capital. Informants also noted the weakness of the private sector in many African countries and its inability to compete in global markets. Poor information technology and financial services infrastructure, a lack of institutional capacity, and corrupt and cumbersome customs formalities were responsible for Africa’s high transaction costs.

One trade expert referred to the problems of market access as a risk, especially after the conclusion of the Uruguay Round, when African countries faced more onerous multilateral trade obligations yet gained only scarce improvements in their access to the markets where they enjoyed some trading advantage. Moreover, the commodity preferences and quota benefits that African countries enjoyed under preferential schemes such as the EU's Lomé and Cotonou frameworks have been substantially reduced because of the WTO obligation for trade compatibility and reciprocity. But for this informant, it was the Doha Round (which started in 2001), with its emphasis on development outcomes, that has failed to deliver any benefits for African countries—most notably neither improving their capacity to trade nor addressing other supply-side constraints. African countries suffer the risk of continued marginalization in trade because protectionism in developed countries, especially in agriculture, has impeded Africa's export-growth potential.

6.3.2 Geopolitics and finance

Africa has failed to take advantage of the rapid changes in information, goods, and ideas brought in by globalization, a few informants argued, so that the peoples of Africa have not reconfigured their social, economic, and political horizons. Because of vast ungoverned spaces, they instead have had to contend with corrupt practices, organized crime, ethnic and sectarian rivalries, higher poverty and unemployment, and a growing and restless youth population. The great risk for the continent is its inability to cope with global and systemic change at a time when global governance has seen decision-making structures and spheres of authority proliferate, in which Africa seldom features as a major actor and where even its identity as a region is contested.

The failure of global governance, some informants suggested, is replicated in the urgent development challenges for Africa and its dependent and asymmetric relations with developed countries. These lacunae are worsened by macro-economic volatility and the failure to eradicate poverty. Moreover, the combination of social inequality, increasing corruption, and unstable political systems has made it harder to adopt economic and public policies to address external challenges.

Africa faces further developmental risks because it depends on a mix of four types of financial resources, all of which have declined because of the global financial crisis: official development assistance, FDI, domestic savings, and debt relief. In particular, it was noted that developed economies continue to face fiscal and liquidity crises and the US dollar is declining as a major currency. Africa thus faces the risk not only of declining levels of aid and investment but also declining terms of trade and market access. These uncertainties, along with tighter financing conditions, will put further pressure on African countries' budgetary resources.

6.3.3 The environment

For many informants, environmental degradation was one of the biggest external risks because of its effects, socioeconomic costs, and the difficulty of adopting mitigation and adaptation mechanisms. Agenda 2063 must address the risk of climate change by embedding the "green" and "blue" economies in the centre of its transformation agenda. The continent already faces the spectre of major losses in biodiversity and the ecosystem, water crises, and growing food insecurity, largely because of the erratic and unsustainable nature of natural-resource extraction. The risk for Africa is that international and multilateral sources of climate-related finance will be cut off unless it puts bold, assertive initiatives and measures in place.

A technical expert noted that, according to AfDB, Africa will require US$20 billion–$30 billion over the next two decades to fund basic adaptation interventions, technology transfer, reduction of greenhouse gas emissions, and construction of institutional capacity at all levels. One concern is that the AU common position on climate change will simply be declaratory and fail to present a common front on durable mechanisms for the entire continent. A related problem is how climate funds are disbursed, given a World Bank (2013) finding that less than one-third of funding for adaptation and mitigation was disbursed across the countries that need it most.

6.3.4 Technology

Some informants felt that Africa's low technological and scientific base prevents the continent from creating and establishing productive sectors capable of developing industry and promoting employment, even though the continent is among the richest and best-endowed continents in natural resources.

Tertiary and research institutions have rarely been vectors of scientific and technological innovation nor catalysts in relating such innovation to national socio-economic demands and cultural needs. These shortcoming were partly attributable to resource constraints—Africa's investment in building research and development capacity in science and technology is, after all, the lowest in the world.

Africa's global marginalization also reverberates in its underdeveloped science and technology infrastructure, making its markets highly dependent on goods and products manufactured mainly in Europe, the US, and increasingly China.

The implications for Agenda 2063 are quite stark: its projects will have innovation and skilled human-capital requirements that African institutions will simply be unable to meet.

7

Mitigation Strategies for Agenda 2063

The obstacles seen in Sections 3 and 4 are a point of agreement among those surveyed, and opinions about the general outlines of risks and challenges facing contemporary Africa vary little. There is, for example, broad consensus that defective systems of governance and weak institutions at all levels will undermine the prospects for Agenda 2063. In a continent of great diversity and development levels, such defects are a leitmotif running throughout this study's diagnosis.

Even in countries where public authority is strong, a high degree of political instability and institutional decay forces the machinery of the state to ensure the survival of the regime in power. And even countries that have gained by democratizing and liberalizing have to pursue political and economic reforms simultaneously. The governance challenges have implications for the entire integration enterprise in Africa, as the functional effectiveness of the African state—as many informants observed—is the prerequisite not only for securing substantive integration but also for exploiting opportunities in international economic activity. Examples of the latter include enlarging domestic and regional markets, attracting greater FDI, and improving access to technology.

Africa's risk profile thus underlines the challenges confronting this continent. The moral is, once again, that governance at all levels matters. For the most part, any improvement in the quality of Africa's political life is attributable to democratic reforms, political liberalization, growing constitutionalism, resurgent civil societies, multi-party elections, and the resurrection of legislatures. These shifts have been accompanied by renewed impulses towards Africa's integration and the development of operational frameworks for enhancing the structures, institutions, and processes of integration.

However, Africa's marginal location in the international political economy requires strategic adaptation to cope with a changing political, trading, and financial environment. And so on the basis of the above negative aspects that this study has attempted to highlight, we now set out some mitigation strategies for Agenda 2063.

7.1 Build state capacity for effective governance

Strong and capable states are key to addressing the risks identified above and will become even more important in driving many aspects of Agenda 2063's policies and programmes. State capacity has generally been inadequate in addressing the challenges of Africa's economic and social development as well as reviving and renewing its drive to build a broader and all-encompassing Pan-Africanism. At fault is weak human agency at all levels, particularly its dearth of effective and progressive leadership in states and societies. While high levels of debt and reduced tariff and tax revenues help to account for this weakness, other causes are persistent failures to manage corruption, low skills levels, patronage politics, a lack of accountability and transparency, and inadequate organizing and mobilizing skills.

Improving state capacity will be a long-term process, and the post-colonial pathologies will persist in many countries where the democratic promise is under threat. There are thus four critical interventions necessary to build state capacity in Africa (Brautigam 1996). The first is to build legal and regulatory capacity that allows the state to define and enforce the rules for social and economic interaction, assuring the rule of law and greater certainty. The second is to generate the technical capacity to put in place policy and legislative frameworks that allow the private sector to flourish on the basis of stable macro-economic foundations. The third is to harness the state's extractive and taxation capacity to raise revenue and mobilize domestic sources for development and social welfare. The last intervention entails raising the administrative capacity of the state by promoting and attracting broad-based managerial skills and professionalism for an effective civil service.

7.2 Build human capital

Social development in Africa is critically linked to policies that facilitate access by poor populations to human, physical, and financial assets to improve their quality of life. Poverty and human-development strategies have typically focused on the economic and social spheres, but evidence suggests that addressing the legal empowerment of poor people could be as effective a weapon in the fight against poverty (De Soto 2000). There are too many African countries where laws, institutions, and policies deny large segments of the population opportunities to participate on equal terms. The legal underpinnings of entrepreneurship, employment, and market interaction are too often assumed in development theory. So are contracts and property rights, but what occurs in Africa's burgeoning informal sectors is hardly taken into account. Here assets and work are most insecure and unprotected, thus suffering from low productivity.

Failures in governance and markets have resulted in low investment in health and education in Africa, with knock-on effects for employment and growth. Moreover, any future gains that could accrue from economic growth could be compromised by persistent poverty, chronic instability, and lower life expectancies because of disease epidemics. Public investment in education and health ensures distributional effects that directly benefit those at the bottom of the social pyramid, especially females. Education has cognitive and non-cognitive effects on productivity and other outcomes such as life expectancy and fertility, while restored health prolongs working life and produces a labour force of higher quality and greater productivity.

The legal empowerment of citizens and greater access to health care and education could roll back poverty, but will require deep-rooted changes in the African state and society, especially if Africa's demographic challenges are to be better managed.

7.3 Focus on trade and industrial policy

Much of Africa has laboured for decades to build competitive, industrialized economies in a bid to achieve long-term growth and development. African countries still struggle to develop dynamic and diversified industrial sectors that could be the locus of structural transformation and accelerated growth. There is therefore an urgent need to develop policy frameworks capable of both generating efficient and labour-intensive industrial structures and evolving into robust and competitive export platforms. Previous attempts at forming industrial policy often emphasized the wrong mix of methods based on import protection, subsidized credit, tax incentives, and burdensome regulation. Quite simply, the returns of these methods did not match the resources invested and many African countries found themselves in the grip of economic decline, with the only recourse the dead-weight imposition of structural-adjustment programmes to manage the distortions.

A new approach is required, one that puts the spotlight squarely on efficient industrial policy that can boost industrial growth, export performance and competitiveness, and that ensures the optimum allocation of resources. Related to this is the critical importance of developing domestic capabilities in strategic entrepreneurial, management, and technical functions. In Africa, industrial policy should provide special incentives for crowding, in small and medium enterprises as a major focus of policy and as a driver of employment creation. This presupposes African ownership of industry through creative public–private partnerships and carefully calibrated joint ventures between local and foreign companies.

Equally important, African governments have to claim back the space lost to the external pressures of market liberalization: success here would allow them to make the necessary interventions to govern markets in support of industrialization. An important element in this mix is developing appropriate regional mechanisms to promote trade, development finance, and infrastructure. Liberalization should focus internally to unlock intraregional trade complementarities.

7.4 Develop a new coalition for growth

Finding and promoting "African solutions to African problems" is not purely the responsibility of states and ruling elites. It requires the participation of what could be called an "Agenda 2063 coalition" capable of providing the continental gravitational pull for broad-based and inclusive growth and development, and of "locking in" ownership of the vision among those with a stake in the future of the continent. The consultative and participatory process that has underpinned the creation of Agenda 2063 provides the nucleus for institutionalizing such a coalition, consisting of member states, the private sector, civil society, the diaspora, youth, media, women, faith groups, former heads of states, intellectuals, planning experts, and more. Such a coalition must be organized with solid leadership that is normatively committed to Agenda 2063's transformation framework. With 200 million Africans aged between 15 and 24 years, it is important that Agenda 2063 sow the seeds of African identity and integration early.

The Agenda 2063 coalition could be the vector of policy learning and a more sophisticated debate about Africa's growth and development dilemmas as well as rooting these dilemmas in a Pan-African context. The discussion must develop new narratives and ideas about the state of the continent and identify the broad policy and strategic parameters that are necessary for generating greater accountability and direct interest in the pursuit of Agenda 2063's goals.

A generalized and widely publicized discourse is needed on the potential gains that could come from policies absorbing past frameworks and outlining what needs to be done to ensure sustainable reform under the auspices of Agenda 2063. Successful discourse could change parochial and fatalist assumptions among ordinary African citizens, who often feel alienated from regional and continental issues because they have historically perceived them as in the exclusive domain of ruling elites.

Agenda 2063 will, no doubt, require tremendous sacrifices if its ambition and vision are to be realized, but it also provides an open and democratic opportunity to develop a new coalition through which Africa's renewal can become manifest, and a new transition and transformation narrative can be articulated.

7.5 Make regional integration meaningful

Historically, regional integration has suffered from multiple actors and a wide array of processes. The different stakeholders have thus made regional integration a hotbed of divergent interests and different outcomes, producing an incentive environment that is predominantly state centric and elite driven.

The question for Agenda 2063 is how to turn RECs and the AU architecture into meaningful vehicles of social and economic transformation that will make a difference in the lives of ordinary citizens. Significant steps have already been taken that signal progress, but a range of problematic institutional challenges persists. These include, first, ambiguous legal frameworks far removed from the reality of citizens' welfare, which would especially entail over harnessing regional economies of scale to tackle poverty, unemployment, and inequality. Second, there is too much diversity among the RECs with their complex and unwieldy institutional configurations, overlapping membership, and lack of enforceable norms, rules, and practices. The third problem is that member states make normatively supranational commitments but refuse to cede even a modicum of their sovereignty for the larger regional good.

Agenda 2063 must pay greater attention to harmonization, coordination, and building trust and confidence between the RECs and the AU. Unless a concerted effort is made to fill the institutional vacuum in the AU on key areas of integration (such as agriculture, industrial development, the environment, peace and security, transport, human capital, and so on), it is very unlikely that these policy concerns will resonate at state and regional levels. Thus, structures and systems that support policy implementation at these subsidiary levels are needed. There needs to be better coordination by the AU, AUC, NEPAD, RECs, ECA, and AfDB to remove hurdles so that regional integration may become more meaningful in the lives of African citizens and a paradigm of genuine "developmental regional integration" will be a definite outcome.

7.6 Develop African diplomatic capacity

The post–Cold War universe presents Africa with a new set of challenges occasioned by the changing global order. Specifically, these challenges are the heightened disparities between rich and poor countries; an increase in structural threats; and vulnerabilities caused by transboundary poverty, disease, conflict, climate change, terrorism, financial crises, and weapon proliferation. Africa's traditional partners—the EU and the US—still exercise inordinate influence and control over the pace of its growth and development through institutionalized trade and cooperation frameworks that are antithetical to Agenda 2063's emphasis on self-determination, self-reliance, and Pan-Africanism.

Moreover, the system of global governance is neither emancipatory nor cooperative, but provides the types of perverse incentives that reinforce the hegemony and dominance of developed countries in shaping international relations. At a time when developed countries face fiscal pressures caused by the global financial crisis, emerging powers—particularly Brazil, India, China, and South Africa—have gained substantial trade and investment traction across the continent.

Given this changed universe, Africa needs to adopt a more nuanced approach to its international engagements, critically turning on ways it can leverage growth and development opportunities, and generate investment finance to address externalities such as climate change. This greater sophistication must be grounded in forging new and revamped international partnerships that become steering mechanisms for assisting Africa to address its growth, security, and development challenges.

Such mechanisms must carefully align external trade, development financing, and debt-relief engagement with the strategic initiatives that arise out of Agenda 2063. Their ultimate aim is to ensure resource mobilization, cooperation, and support of regional and continental frameworks, while putting in place operational monitoring and evaluation systems and being sensitive to regional balance and equity.

All this will require building a muscular and skilled diplomatic capacity that is capable of moving Africa from the wings to the centre of the international stage.

7.7 Who should do what?

WHO?	WHAT?
National Governments	Streamline risk mitigation strategies in national policies and development plans and ensure implementation
Civil Society	Develop strong advocacy capacity for risk mitigation
RECs	Promote comprehensive risk mitigation Protocols for adoption and implementation by members states
AUC	Develop a continental strategy and management system for risk mitigation and adopt appropriate norms and standards
African Development Institutions	Work with AUC to establish an Agenda 2063 Risk Working Group to monitor, analyze, and share knowledge about major risks
ACBF	Conduct an assessment of the AU organs/RECs preparedness for Agenda 2063 and develop a capacity development plan.
AfDB	Support members states, RECs, and AUC with resources required for risk mitigation and management
UNECA	Develop a specialized mitigation program to support sectoral Ministries in managing and implementing national risk strategies.
Extern**al Development Partners**	• Support Agenda 2063 risk mitigation strategy in trade and development cooperation frameworks • Develop close cooperation with AUC in support of the continental risk mitigation objective
UN	• Promote a UN General Assembly Resolution for UN Agencies to support AU and member countries in the implementation of Agenda 2063 • Accelerate UN reforms to strengthen Africa's voice and representation
WTO	Reduce trade related risks and address problems of market access and protectionism
WB and IMF	Support continent-wide strategies and programs for risk management and implementation of Agenda 2063

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Annex 1: Risk Assessment

Internal political-risk dimensions	Implications for Agenda 2063	Score
Declining state capacity and government stability	Inclusive growth and sustainable development; an integrated Africa	12 High
Contested sovereignty and borders	A united Africa and Pan-Africanism	9 Medium
Weak national, regional, and continental institutions	A united Africa and Pan-Africanism; a peaceful and secured Africa; an integrated continent; an influential global player and partner; inclusive growth; and sustainable development	16 High
Growing poverty, inequality, and unemployment	Inclusive growth and sustainable development	16 High
Rising conflict and insecurity	Inclusive growth and sustainable development; a united Africa; a peaceful and secured Africa	16 High
Corruption	Sustainable development, good governance, democracy, the rule of law	16 High
Accelerated illegal migration	Inclusive growth and sustainable development; cultural identity and people-driven values development	12 High
Return of military involvement in politics	Good governance, democracy, the rule of law	6 Medium
Rise of religious extremism	A peaceful and secured Africa	15 High
Threat of terrorism	A peaceful and secured Africa	13 High
Lack of democratic accountability	Inclusive growth and sustainable development, good governance, democracy, the rule of law	9 Medium
Threat to law and order	An integrated Africa, peace and security, inclusive growth, and sustainable development	13 High
Lack of social cohesion	Cultural identity and values, people-driven development, Pan-Africanism	12 High
Problem of politicized ethnicity	Cultural identity and values, people-driven development, inclusive growth, and sustainable development	12 High
Growing population of youth	A peaceful and secured Africa, people-driven development, inclusive growth and development	20 Extreme
Increasing rates of urbanization	Inclusive growth and development, cultural identity and values	15 High

Internal economic-risk dimensions	Implications for Agenda 2063	Scores
Uneven per-capita GDP/levels of growth	Inclusive growth and development, people-centred development	10 High
Reliance on commodities/ extractive industry	Inclusive growth and development, an integrated continent, a strong and influential global player	20 Extreme
Weak private-sector development	Inclusive growth and development, a strong and influential global player	15 High
Rent-seeking/lack of productive activity	Good governance, rule of law	10 High
Low levels of industrialization	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player, people-driven development	20 Extreme
Uneven macroeconomic stabilization	Inclusive growth and sustainable development	6 Medium
Low levels of domestic savings	Inclusive growth and sustainable development, people-driven development	15 High
High levels of illicit financial flows	Inclusive growth and sustainable development, good governance, the rule of law, people-driven development, a strong and influential global player	20 Extreme
High welfare costs	Inclusive growth and sustainable development, people-driven development	15 High
High transaction costs	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	20 Extreme
Poor infrastructure	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	20 Extreme
Low levels of intra-African trade	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	20 Extreme
Weak revenue-collection systems	Inclusive growth and sustainable development, people-centred development	12 High
Low levels of R&D in science and technology	Inclusive growth and sustainable development, people-centred development, cultural identity and values	16 High
Low resource mobilization/ development finance	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	20 Extreme

External political-risk dimensions	Implications for Agenda 2063	Scores
Failure to speak with a collective voice	A peaceful and secured Africa, an integrated Africa, a strong and influential global player, good governance, democracy, cultural identity and values, Pan-Africanism	20 Extreme
Weak bargaining power	An integrated Africa, inclusive growth and sustainable development, a strong and influential global player, Pan-Africanism	15 High
Continued marginal position	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	15 High
Neo-colonial relations with BRICS	A strong and influential global player	6 Medium
Inability to exploit geo-political advantage	A strong and influential global player	15 High
Retreat of EU and the US	A strong and influential global player, inclusive growth, sustainable development	4 Low
Inadequate global institutions/ agreements/networks	A strong and influential global player, inclusive growth and sustainable development, a peaceful and secured Africa	15 High
Failure to meet MDGs; burden of the SDGs	Inclusive growth and sustainable development, people-driven development, a peaceful and secured Africa	20 Extreme

External economic-risk dimensions	Implications for Agenda 2063	Scores
Static and undiversified trade basket	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	20 Extreme
Neo-liberal trade paradigm and market access	Inclusive growth and sustainable development	16 High
Poor integration into global value chains	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	20 Extreme
Inadequate industrial-export platforms	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	20 Extreme
Declining levels of development aid	Inclusive growth and sustainable development	15 High
Declining levels of foreign direct investment	Inclusive growth and sustainable development	16 High
Cost of servicing foreign debt	Inclusive growth and sustainable development	12 High

External financial and investment risk dimensions	Implications for Agenda 2063	Scores
High foreign debt as % of GDP	Inclusive growth and sustainable development, an integrated Africa, people-driven development	15 High
Unfavourable balance of trade	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	15 High
Declining terms of trade	Inclusive growth and sustainable development, an integrated Africa, a strong and influential global player	6 Medium
Inadequate international liquidity to cover imports	Inclusive growth and sustainable development	6 Medium
Weak exchange-rate stability and convertibility	Inclusive growth and sustainable development	15 High
Weak regulatory environment	Inclusive growth and sustainable development, a strong and influential global player	15 High

Climate-change risk dimensions	Implications for Agenda 2063	Scores
Growing food insecurity and water stresses	Inclusive growth and sustainable development, people-driven development, a peaceful and secured Africa	20 Extreme
Loss of biodiversity and ecosystems	Inclusive growth and sustainable development	20 Extreme
Climate-related conflict	Inclusive growth and sustainable development, people-driven development, a peaceful and secured Africa	6 Medium
Low adaptive and mitigating capacity	Inclusive growth and sustainable development	20 Extreme
Inadequate technology transfer	Inclusive growth and sustainable development, people-driven development	15 High
Low levels of climate financing	Inclusive growth and sustainable development, people-driven development	20 Extreme
Poor response in state/regional institutions	Inclusive growth and sustainable development, people-driven development	15 High

Annex 2: A SWOT Analysis of Agenda 2063

Aspiration 1: A prosperous Africa based on inclusive growth and sustainable development

Strengths	Weaknesses
• improved economic growth • a growing private sector • improved accountability • better governance • a reforming public sector • improved macro-economic stability • broader global partnerships (BRICS) • reduced exposure to global financial crises • broader citizen participation • continental commitment and responsiveness • a growing population of youth • adherence to codes of good governance	• low levels of industrialization • weak political and civic leadership • weak institutional capacity • inadequate coordination at all levels • inability to promote subsidiarity principle • failing agricultural sector • inadequate resource mobilization • weak capital and financial markets • weak infrastructure • low global-trade volumes • reliance on commodity exports • weak public-sector and systemic corruption • weak public-finance capacity
Opportunities	**Threats**
• enlarge national and regional markets • build strong institutional capacity • develop small and medium business • build skills bases for women and youth • develop harmonized frameworks • mobilize domestic resources • improve domestic savings • expand global partnerships • build industrial platforms • improve value chains • improve governance • enhance Africa's global standing • reduce external dependence • move to green economies • improve agricultural output • attract higher levels of investment • improve functioning of RECs	• rising levels of poverty and unemployment • weak responses to climate change • rising levels of urbanization • growing population of unskilled youth • uncompetitive African economies • technical and non-tariff barriers to trade • Africa's least-developed countries more vulnerable • growing food insecurity • persistence of disease pandemics • marginalization of women and youth • political instability and insecurity • high mortality rates • increasing crime and violence • rising levels of migration • protectionism and poor market access • growing technology gap • lack of economic diversification

Aspiration 2: An integrated continent, politically united and based on the ideals of Pan-Africanism

Strengths	Weaknesses
• all-embracing AU vision • high levels of political commitment • progress with free-trade agreements and the African Economic Community • acceptance of pillars of integration • history of post-independence frameworks • history of integration experience • broad stakeholder consultations • clear articulation of goals and processes • resilience of Pan-African ideals/ideology • strong support by member states	• weak framework-implementation capacity • slow rationalization of RECs • weak domestication of AU vision • inadequate intraregional trade • weak interstate cooperation • weak interregional cooperation • uneven growth and development • unfree movement of people, goods, capital • problem of ceding sovereignty/borders • weak political and civic leadership • low levels of development finance
Opportunities	**Threats**
• enhance support for the Minimum Integration Programme • improve movement of people, goods, capital • improve Boosting Intra-African Trade and intraregional trade • promote more effective global partnerships • enhance AUC/AfDB/ECA cooperation • engage ACBF technical competence • speak with a collective voice • promote AU legal instruments • preserve the natural environment • harmonize standards and norms • mitigate effects of climate change • develop new strategic partnerships • renew the ideals of Pan-Africanism • build better institutional capacity • develop continent-wide PIDA • mobilize the diaspora as a constituency	• ongoing conflicts and rising extremism • AU mandate not broadly understood • weak and fragile states • weak institutional and coordinating capacity • action plans too ambitious and unwieldy • slow resource mobilization • low human welfare/development • inadequate infrastructure • high transaction costs of business • unattractive destination for investment • undiversified industrialization • transnational crime, drug and human traffic • inability to use demographic dividend • illicit financial flows • weak regulatory environments

Aspiration 3: An Africa of good governance; democracy; respect for human rights, justice, and the rule of law

Strengths	Weaknesses
• many successful democratic transitions • decline of authoritarian rule • disengagement of the military from politics • strong electoral systems • more free and fair elections • an invigorated and active civil society • growing importance of parliaments • vibrant political culture for democracy • greater judicial independence • constitutional protection of civil liberties • strong normative basis in AU Constitutive Act • maturing opposition politics • greater transparency and accountability	• weak enabling political environment • concentration of executive power • high levels of civil conflict • single-party dominance • weak consolidation of democracy • weak substantive democracy • incomplete and stalled transitions • weak institutional development • patronage politics and neo-patrimonial rule • weak and divided opposition parties • communal and ethnic cleavages • poor human-rights culture • weak rule of law mechanisms
Opportunities	**Threats**
• increase decentralization and devolution • enhance citizen mobilization/participation • improve separation of powers • improve constitutional rule • increase space for judicial reform • build a human-rights culture • deepen democracy and democratization • build developmental states • embed rules-based governance • empower women and youth • improve state and elite legitimacy • build inclusive forms of governance • bridge the urban–rural divide • develop new cadres of leadership	• democratic reversals and recession • growing repression of civic freedoms • increasing violations of human rights • rising levels of civil conflict and insecurity • weak state and institutional capacity • increasing authoritarian tendencies • externally defined conditionalities • increased poverty and unemployment • election-based violence and conflict • rising third-term syndrome • weak checks and balances • poor welfare and fiscal capacity

Aspiration 4: A peaceful and secure Africa

Strengths	Weaknesses
• strength of APSA as an operational strategy • strong commitment to address causes of conflict • strong policy for common defence/security • strong policy for transnational crime • strong promotion of post-conflict reconstruction and development • African Standby Force nearly in place • strong support from global partners • strong support from the UN • strong engagement of non-state actors	• poor prevention mechanisms • weak response mechanisms in APSA • over-dependence on donors and the UN • weak security-sector reform • poor REC capability • weak collective-security regimes • over-emphasis on state security • weak rule-of-law traditions in conflict states • weak DDR continental capacity • weak continental early-warning systems
Opportunities	**Threats**
• address growth and development issues • enhance peace- and state-building linkages • enhance state legitimacy • improve security sector governance • improve focus on human security • enhance transitional justice processes • mobilize African resources and ownership • build regional conflict- management base • give Peace and Security Council Protocol more intervention power • improve preventive diplomacy	• proliferation of intrastate conflicts • rise of unconstitutional regime changes • poor recovery potential from conflict • resurgence of new conflicts • peace as an incentive for war • contested role of the International Criminal Court in Africa • growing religious extremism/terrorism • persistence of arcs of instability • residual instability caused by "Arab Spring"

Aspiration 5: An Africa with a strong cultural identity, values, and ethic

Strengths	Weaknesses
• liberalization of political systems • strong focus on youth and women • strong focus on cultural heritage and diversity • resilient African communities • strong communal networks and traditions • strong safety nets and moral economy	• fragile democracy promotion • violation of basic human rights and freedoms • persistent gender inequality • image deficit of war, hunger, disease • ineffective service-delivery systems • absence of rights-based development
Opportunities	**Threats**
• promote Pan-African learning • enhance inter-African solidarity • enforce AU legal instruments • promote active participation at all levels • build stakeholder commitment • develop social and cultural cohesion • engage the diaspora • promote/protect languages and customs	• growing deprivation, social dislocation • increasing violations of human dignity • growing social protests • rising number of humanitarian crises • lack of a sense of common destiny/identity • cultural/ethnic diversity as a conflict source • problem of politicized ethnicity

Aspiration 6: An Africa whose development is people-driven, especially relying on the potential of its youth and women

Strengths	Weaknesses
• women and youth as development assets • developed AU legal instruments • higher numbers of skilled young graduates • improvements in disease management • more women involved in government • politically aware and active youth • high levels of entrepreneurial activity • more women and youth in AU programmes • greater focus on women and youth in RECs • higher levels of civil society activism • African Youth Charter as a mobilizing tool	• poor health and education systems • weak welfare services • low R&D in science and technology • low human-development indicators • large population of disempowered youth • large population of disempowered women • high levels of informal economic activity • poor state and institutional capacity • weak national women/youth instruments • weak private sectors • inadequate human settlements
Opportunities	**Threats**
• promote women and youth in economy • promote higher levels of volunteering • turn the youth bulge into a dividend • build people-to-people AU platforms • include women and youth in development • develop the services and formal sectors	• gender-based violence against women • increasing brain drain of skilled workers • illegal migration of youth • growing displaced people and refugees • rising political instability and insecurity • growing levels of poverty and unemployment • rising levels of child/women mortality • rent-seeking and lack of productive activity

Aspiration 7: An Africa that is a strong and influential global player and partner

Strengths	Weaknesses
• improved geo-strategic position • active engagement in international diplomacy • strong multilateral support for the Africa bloc • all boats lifted by economic growth • strong partnerships with BRICS • reduced dependence on international financial institutions • improved macro-economic stability • rapidly growing and skilled population • supportive and well-resourced diaspora	• failure to speak with one voice • weak bargaining power • Africa in a marginal position globally • poor integration into global value chains • weak system of global governance • failure to meet the MDGs • static and undiversified trade basket • inadequate industrial-export platforms • low information and communication technology connectivity • weak science and technology capacity • weak industrial and manufacturing capacity
Opportunities	**Threats**
• reposition Africa in international relations • redesign global partnerships with EU and USA • build AU diplomatic capacity • build country bargaining power • mobilize new forms of development finance • promote potential of the CFTA • diversify trading and export patterns • promote Agenda 2063 globally • stem illicit financial flows • reform of the UN Security Council • build global-knowledge networks • harness the RECs as cooperating partners	• neo-colonial relations with the BRICS • declining levels of development aid • declining levels of foreign direct investment • recurrent crises in global markets • retreat of traditional development partners • failure of the Doha Development Round • declining terms of trade • low levels of climate financing • ongoing conflict and instability • underdeveloped capital and finance markets • problems of currency convertibility/stability • fiscal crises in developed economies • slowing growth in China/emerging markets

Annex 3: List of Informants

Name	Position	Date of interview (all 2015)
Dr. Essop Pahad	Former Minister in the South African presidency and current editor of the Pan-African journal The Thinker	31 March
Prof. Nick Binedell	Dean of the Gordon School of Business and Co-ordinator of the African Business Schools Association	31 March
Mr. Abba Omar	Director of Operations, Mapungubwe Institute for Social Reflection	1 April
Ambassador George Nene	Former Deputy Director-General, South Africa Department of International Relations and Cooperation	2 April
Ambassador Welile Nhlapo	Former South Africa Ambassador to the AU	2 April
Dr. John Tesha	Executive Secretary, Africa Forum of Leadership	9 April
Dr. Nomfundo Ngwenya	Chief Director, African Economic Integration, South Africa Treasury	9 April
Dr. Alioune Sall	Director, African Futures Institute	9 April
Prof. Gilbert Khadiagala	Jan Smuts Professor of International Relations, Wits University	10 April
Dr. Michele Ruiters	Specialist in Africa Research Strategy, Development Bank of Southern Africa	13 April
Mr. Joel Netshitenzhe	Executive Director, Mapungubwe Institute for Social Reflection	13 April
Dr. Alfredo Hengari	Director, Africa Drivers Project, South Africa Institute of International Affairs	15 April
Mr. Simon Freemantle	Manager, Africa Business and Research, Standard Bank of South Africa	15 April
Ambassador Carlos Sersale di Cerisano	Ambassador of Argentina to South Africa, accredited to 9 SADC countries	16 April
Dr. Themba Mhlongo	Deputy Executive Secretary for Regional Integration, SADC	18 April
Dr. Francis Ikome	Senior Programme Management Officer, UN Economic Commission for Africa	21 April
Mr. Robert Lisinge	Economic Affairs Officer, UN Economic Commission for Africa	22 April
Ms. Emebet Mesfin	Governance and Public Administrative Officer, UN Economic Commission for Africa	22 April

Name	Position	Date of interview (all 2015)
Mr. Christian Diguimbaye	Co-ordinator, AUC/ECA/AfDB Joint Secretariat Support Office	23 April
Mr. Guy Ranaivomanana	Assistant Co-ordinator, AUC/ECA/AfDB Joint Secretariat Support Office	23 April
Dr. Khabele Matlosa	Director, Department of Political Affairs, AU Commission	25 April
Mr. Moe Shaik	Head of Africa and International Division, Development Bank of Southern Africa	28 April
Dr. Ahmad Jallow	AU Lead Consultant and Team Leader, Agenda 2063	29 April

Annex 4: Questions Asked During the Interview

1.	How familiar are you with the basic goals and objectives of Agenda 2063 and its vision? To what extent do you think these can be achieved in a span of 50 years?
2.	How do you see the challenges of achieving integration in Africa at both regional and continental levels? What are the key factors that remain obstacles and impediments to integration?
3.	What has been accomplished and what challenges are there in making the African Union and the Regional Economic Communities more effective institutions?
4.	What in your assessment are the main internal risks and threats associated with achieving the letter and spirit of Agenda 2063?
5.	What in your assessment are the main external risks and threats associated with achieving the letter and spirit of Agenda 2063?

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